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# The WNBA -- Or The NBA -- Should Pay Its Players More



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SportsMoney



Kelsey Plum of the Las Vegas Aces driving against Lindsay Whalen of the Minnesota Lynx. Both players are working for less than they should in the WNBA. (Photo by Sam Wasson/Getty Images) (PHOTO BY SAM WASSON/GETTY IMAGES)

Two years ago, [Richard Sandomir](#) wrote in [The New York Times](#) that half of the WNBA teams were losing money. But there was something missing in the article: At no point did he provide any details on the revenues and expenses of the league to support this claim.

So it's not possible from the article to know why the alleged losses exist, the significance of the alleged losses, or even if the alleged losses are real.

Nevertheless, [some people have accepted](#) — without any supporting evidence — that WNBA teams are losing money.

Kelsey Plum, though, seems to disagree. The No. 1 pick in the 2017 WNBA draft [recently questioned the story](#) that WNBA teams are struggling:

““People are still trying to figure out, if the WNBA is always losing money and if the WNBA is in the red, why do we keep it around? These owners are actually making money, and if you come to games – at least in Vegas, and Seattle is one of those places, also Minnesota – these stands are full. There’s sellouts; there’s crowds. ... We don’t know the numbers. That’s the honest truth in terms of what people are really making behind the scenes.”

Plum is definitely right about one thing: We don't really know the revenue and expense numbers for the WNBA. At least, we don't know these numbers as well as we know about the corresponding numbers for the NBA.

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[Each year, Forbes estimates the revenues and operating income](#) of each NBA team. In 2016-17, [according to Forbes](#), only the Cleveland Cavaliers had an estimated operating income below zero. Therefore, we know that virtually every NBA team had a positive operating income.

Well, maybe not. Even though the NBA gives us far more information on revenue and expenses, views on the NBA's profitability vary.

[Brian Windhorst and Zach Lowe of ESPN reported](#) in September 2017 that before revenue sharing, 14 of the NBA's 30 teams lost money. Even after you take into account revenue sharing, it was reported that nine teams still lost money. The biggest losers in this report were the Brooklyn Nets and the Detroit Pistons.

Whereas Forbes argued that both teams had a positive operating income in 2016-17, Windhorst and Lowe reported that these franchises, after revenue sharing, lost more than \$40 million.

If we believe Windhorst and Lowe, the NBA and the WNBA seem quite similar: About half of the franchises in each league are reportedly struggling to turn a profit. And the problem in the NBA — where teams are supposedly losing more than \$40 million per year — might be much worse.

Of course, the story Windhorst and Lowe tell is not consistent with the story told by Forbes. That suggests that maybe we should be hesitant to believe any assertion, without much evidence, that the WNBA is really in trouble.

We should also remember that even if we believe Windhorst and Lowe, no one seems to be arguing the NBA is in serious financial trouble. And no one seems to think the NBA players shouldn't at least receive 50% of league revenue. Even with half the teams apparently losing money, no one seems to be arguing NBA players should get much less.

The story with respect to the WNBA seems different. [I have estimated](#) that WNBA players are receiving only about 20% of league revenues. Yet when players suggest this is wrong, [people quickly argue](#) that nothing can be done if the WNBA teams aren't making a profit.

Once again, we don't really know the WNBA isn't making a profit. As Plum has noted, all the numbers haven't been reported. At the moment, we know very little about team expenses. Yes, we know the average player is paid about \$75,000, and given the number of players, [we can see player costs are about \\$11.4 million](#). But we don't know other expenses.

When we turn to the revenue picture, we are also mostly in the dark. [We do know](#) the WNBA receives \$25 million from ESPN, and we can estimate that minimum gate revenue is \$27.4 million. So although it appears WNBA revenues are at least \$52.4 million, we don't know how much revenue the league receives from Twitter, FanDuel, Tidal, merchandise sales, corporate sponsors, local television and radio deals, and subscriptions to the WNBA League Pass.

In addition, the WNBA receives some support from the NBA. The level of support, though, is not clear.

In response to a question about how much the NBA is supporting the WNBA today, Mike Bass, the NBA's executive vice president of communications, said, without addressing specifics, "The NBA has been fully supportive of the WNBA with intellectual and financial capital, sponsor and media partner relationships, and shared resources throughout the league's existence."

A different league source emphasized that although the NBA and WNBA share resources, this source did not believe the NBA was sending checks to individual teams or paying the player's salaries.

But maybe that should change.

Let's imagine the WNBA revenue is really just \$52.4 million (again, it is likely higher). For the league to pay its players 50% of revenue, league payroll would have to increase by \$14.4 million. **In other words, for less than the Washington Wizards are paying Ian Mahinmi**, the WNBA could give its players the same revenue share that NBA players are paid.

Can the WNBA pay more? **In the overall economy, labor tends to be paid 60% of revenue.** And again, in the NBA, the players are paid 50%. So it doesn't seem the WNBA players are unreasonable to expect to be paid at least 50% of the league's revenue.

Once again, though, we don't know expenses in the WNBA. What if non-player expenses are so large that for WNBA teams to pay players more, every WNBA team would definitely lose money?

Whether or not that matters depends on how one views the WNBA. If the objective of the league is that each and every team should make a profit each and every year, then it's possible that paying the players more would be a problem. Of course, as the NBA seems to suggest, its own teams don't make a profit every year. So it seems odd to have this requirement for WNBA teams. Nevertheless, if the objective is yearly profits, then a substantial increase in player salaries could be a

problem if other league expenses are quite large and can't be changed (and again, we do not know that this is true).

If we look back at some NBA history, though, we discover there is another way to look at this story. Back in 1983, the NBA was in trouble. The NBA Finals were on tape delay. The NBA itself claimed that it was in such financial trouble that it argued the league needed a cap on player salaries. That year, [Herbert Simon purchased the Indiana Pacers for \\$4.5 million](#) (or \$11.6 million in today's dollars).

[According to Forbes](#), 35 years later Simon's Pacers are worth \$1.175 billion, and the team's operating income in 2016-17 was \$29 million. How did this happen? There are many reasons, but part of the story is that the [NBA has received more than \\$3 billion in taxpayer subsidies](#). And we shouldn't forget [the sports media devotes more than 95% of its coverage to men's sports](#). The NBA clearly benefits from free advertising from a wide variety of sports media outlets 365 days a year.

Beyond these massive handouts, though, the NBA also invested in its product. It made a substantial effort to market its product. And the NBA made sure its players were treated like elite athletes. In sum, the NBA didn't regard every dollar spent as a cost but rather as an investment that would help its league grow.

The WNBA is unlikely to get many handouts. Politicians are not lining up to fund new arenas built just for WNBA teams. Plus, the sports media is not going to give the WNBA and its players coverage 365 days a year. Still, despite lacking the advantages of the NBA, the WNBA can have a bigger goal than just turning a small profit each year. Imagine if the WNBA (and its NBA partner) really would like the WNBA to be the premier women's professional basketball league in the world. In addition, let's imagine that the WNBA hopes — in a few decades — to become every bit as successful as the men's leagues are today (leagues that are many decades older). If those are the objectives, maybe the WNBA (and its NBA partner) needs to listen to players like Elizabeth Cambage.

Cambage recently set the all-time record for points in a WNBA game ([with a performance that was more efficient than anything in WNBA and NBA history](#)).

The day after this game Cabbage [made this statement about the WNBA](#): "The WNBA is constantly called the best league in the world, yet we don't get treated like the best athletes in the world."

Cabbage is not the only player who thinks the WNBA players should be treated better. In addition to the comments from Plum, [A'Ja Wilson](#) and [Diana Taurasi](#) recently argued WNBA players should be paid more. And Britney Griner, [in an interview with Landon Buford](#), echoed the sentiment: "We should get paid more. I don't know where it is supposed to come from — that is not my job. That is somebody else's job, but we should definitely get paid more. There is no reason why should have to go overseas to make a living."

Griner's statement gets at one of the issues the WNBA players face. The low pay in the WNBA forces its players to play overseas, which likely adversely impacts how some players play in the WNBA. [The low pay might also reduce the number of girls who choose to acquire the skills necessary to eventually play professional basketball](#). In sum, the low pay in the WNBA likely diminishes the quality of the league today and diminishes its future prospects.

Again, it wouldn't take a large investment to give the WNBA players 50% of league revenue. Perhaps for as little as the NBA pays [Mahinmi](#) (or [Brandon Knight](#), or [Tim Hardaway Jr.](#), etc.), the WNBA — or the NBA — could close the gender-wage gap in professional basketball. Yes, this might require the NBA to provide a small subsidy to the WNBA (or it might not!). And it might mean the WNBA is currently not profitable. But for an investment that is minuscule compared with all the free handouts given the NBA, the WNBA players could be paid a wage closer to what they are worth. This small investment could also allow the WNBA to truly be the premier league for women's professional basketball in the world today and also, perhaps more importantly, enhance the WNBA's prospects for tomorrow.

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