

Is it Time to Change the Name of the **Most Valuable Player** Award?

Is the Most Valuable Player really that? Or, is he the Best Player? Or, is that the same thing?

The answer might not be as obvious as you think.

Consider the NFL as one of the better proxies for analysis, in part because of the hard salary cap. The MVP is usually awarded to the player that does well personally (i.e. has some of the best stats like quarterback (QB) rating, total touchdown passes and touchdown/interception ratio, total rushing yards, etc.) and helps carry their team to wins and playoff berths. You would think that those in consideration for the award are some of the highest paid players in the NFL. Since they are often quarterbacks, let's take a closer look.

It turns out of the 32 starting QBs, 12 make single digit annual salaries (yes, in the single digit millions) and 20 make double digit salaries (the vast majority over \$20 million). One would expect the MVP is most likely to come from the pool of 20 since there must logically be a correlation of salary to performance, and in turn team success.

In fact, of the 12 teams that made the playoffs this year, 6 QBs made single digit salaries and 6 made double digit salaries. So, while 30% of the highly paid QBs made the playoffs, 50% of the lower paid guys got in. The average salary of QBs who made the playoffs was \$12.7 million, while the average salary for those that did not was \$18.3 million.¹

Further analysis shows that there is a negative correlation between salary and playoff seeding. That is, some of the highest seeded teams (normally with the most wins) are the Chiefs (Mahomes), Texans (Watson), Rams (Goff), Bears (Trubisky). In fact, the top 6 highest paid QBs are not in the playoffs at all (Aaron Rodgers, Matt Ryan, Kirk Cousins, Jimmy Garoppolo, Matthew Stafford, Derek Carr).

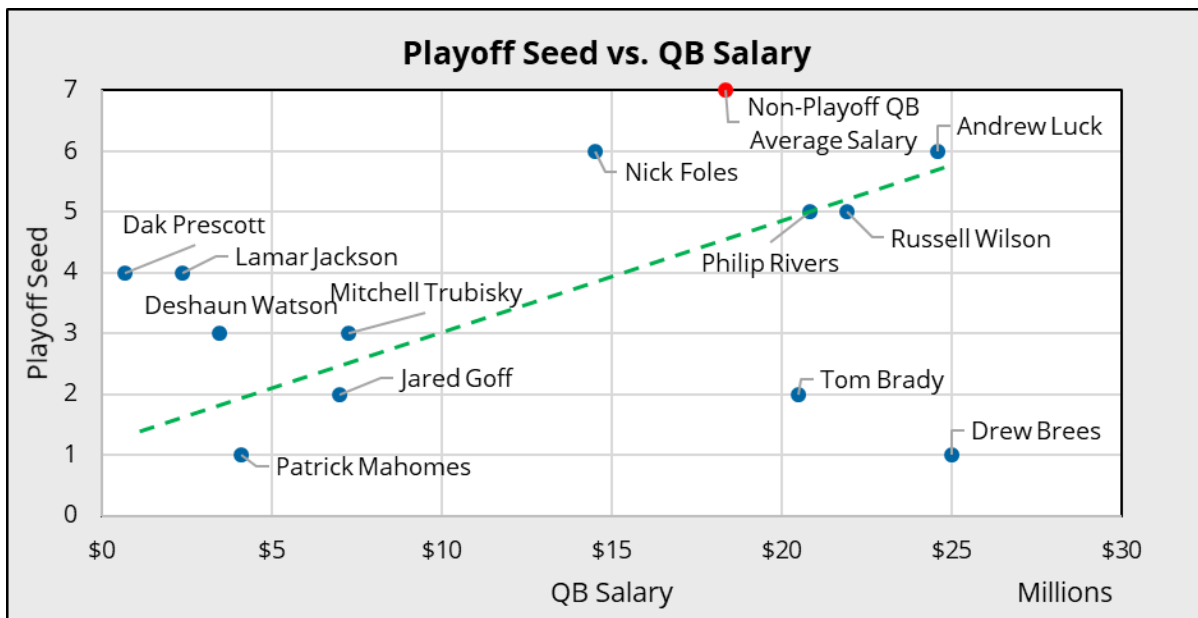
¹ Lamar Jackson and Nick Foles were utilized as the QB for their playoff teams.

What's the explanation? In the era of the salary cap, being in the first four-year contract period (Prescott, Mahomes, Watson, Goff, Trubisky, Jackson), or taking a discount (Brees, Brady, Rivers, Wilson, Luck make \$20 to 25 million) saves cap room to pay other good players, thus making the team better and, arguably, the QB more valuable.

When looking at salary relative to production, the difference is stark. This year, Rodgers earned \$1.3 million per passing touchdown thrown, while Prescott earned just \$30 thousand. In terms of salary per win, Rodgers was paid 82 times that of Prescott.

The point is value has to be considered in the context of cost (i.e. salary), as does the value of anything! The more the cost, the less valuable, all other things equal. Therefore, while good QBs might make more, they might be less valuable, or at least no more valuable than cheaper QBs.

It turns out that maybe the most valuable quarterback is not the "best" (all other things equal) and/or highly paid so long as their lower salary helps create better play and wins, which apparently it does. Sorry, Aaron Rodgers.



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