

CASE IN POINT

# Hits and misses in a bid for big-league money

**The big idea:** Big-league baseball is central to the spirit, culture and history of the United States. So is the concept of free agency in a free market.

And when it comes time for a player to move on from his first years under a team contract by either accepting a contract extension (or qualifying offer) or becoming a free agent, these two American institutions collide. (Baseball wouldn't be much fun if the wealthiest teams could buy all the best players!) Major League Baseball has policies intended to balance the competing American institutions of baseball and independence.

**The scenario:** Ian Desmond played his first six years in the big leagues as a shortstop for the Washington Nationals, who drafted him. In the spring before his fifth season, his performance was solid and rising. The Nationals offered him a seven-year, \$107 million contract extension (\$15.3 million average annual value). He turned it down. Instead of locking in a certain thing for the long term, he negotiated an \$8.75 million average annual value two-year contract. If his stats stayed high, he might have expected a free-agent offer of seven years, \$150 million — a 40 percent increase.

Unfortunately, his stats began to fall, and so did his chances of nabbing a free-agent contract better than the one he rejected. The Nationals came through in 2016 with a one-year qualifying offer of \$15.8 million — nearly double his package of the previous two seasons — and once again, Desmond said no. He entered free agency, but months elapsed with no offers. He eventually accepted an \$8 million one-year contract from the Texas Rangers, which required him to play the less valuable position of left fielder.

The renewed opportunity revived Desmond's performance. He had a terrific 2016 season, becoming an All-Star for the first time in four years. The Rangers offered him his best one-year salary yet, \$17.2 million. Considering his past results, should he take it?

**The lesson:** Statisticians at-



JONATHAN NEWTON/THE WASHINGTON POST

**Former Nationals shortstop Ian Desmond took a gamble when he rejected several salary offers in favor of free-agent status.**

tempting to more accurately put a dollar amount on a player's worth to his team have come up with the Wins Above Replacement metric, which measures the number of incremental wins each player produces over that of a theoretical average replacement player. It's complex and attempts to account for the holistic impact of a player's statistics as well as his areas of exceptional performance. Although Desmond's traditional stats (batting average, home runs, etc.) recovered in 2016, his more holistic performance didn't rebound so completely — that measure was 3.3 in 2016 compared with 3.9 in 2014.

Desmond turned down the \$17.2 million qualifying offer from the Rangers and entered free agency. On Dec. 7, 2016, he signed a five-year, \$70 million contract with the Colorado Rockies. Although it's \$3.2 million less than he might have made playing for the Rangers in 2017, it's a sure thing for a longer time. And after so many unprofitable tosses of the "free agency" coin, Desmond might be excited to just... play ball!

— Robert Fisher, Rebecca Goldberg and Elliott Weiss

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