

PROFESSIONAL FOOTBALL IN POST-WORLD WAR II AMERICA

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Show Me the Money: Inferential Economics and Financing Football in the Late 1940s

The paucity of financial data is a common problem historians confront in exploring the business side of sport. This is particularly the case for teams and leagues that collapse as records are almost always disposed of with the demise of the clubs and organizations. Despite the limitation, my research into the All-America Football Conference (1946-1949) and its challenge to the hegemonic control of the National Football League shows how existing financial information facilitates the creation of what I have come to call “inferential economics.” This paper examines the concept of inferential economics, looks at the kinds of sources employed to estimate a variety of influences on the revenues and expenditures, profit and losses of Conference clubs, and briefly discusses how the financial portrait that emerge from this analysis facilitates a more textured portrait of the history of the AAFC and the economics of pro football in the late 1940s.

Inferential economics permitted the construction of a very useful ballpark estimate of the finances of football teams. It did so through a relational analysis of a variety of economic variables. While there was no complete set of financial data for any one football team, there were sufficient amounts of bits of information on different components of various team’s financial ledgers, such as salaries, travel costs, radio and television fees, park rental and clean up cost, concession money and ticket prices. From the known data on each of the components, it was possible to make an educated guess of a team’s revenues/expenditures where such information was lacking by comparing what was generally known about the financial situations and general condition of AAFC clubs for which data existed with those that did not, or at times by logically accepting that certain costs tended to be fairly universal throughout the Conference.

The paper looks at how information from newspapers, a legal affidavit from the Radovich case, and several documents at

the pro football Hall of Fame facilitated the construction of the economic portrait of AAFC teams. Of these documents the most significant by far emerged from the NFL Business Managers Meeting held in March 1950, four months after the NFL agreed to accept several AAFC teams into its league. The intent of the meeting was to “find out how each club operates so that we may be able to reach a basis for a formula of operation that will be efficient, beneficial and economical for all.” Although not every team attended, and those present didn’t provide data on each issue explored, the meeting covered an amazingly wide-ranging number of financial topics.

The final section of the paper explores how inferential economics offered sufficient clues into the finances of football to build a more comprehensive picture of the sport and the NFL-AAFC battle. For example, the data certainly confirms that the football war was a costly one, with conference clubs losing an estimate two-and-half million dollars over the four years, but this amount was far less than the figures bantered about in the contemporary press to the extent of the red ink that flowed through the ledgers of Conference clubs. The evidence also suggests that by the late 1940s successful football teams on the field and at the gate could generate for their owners quite a tidy return. Finally, the available economic information facilitated a more textured vision of the war and enabled the construction of a fuller picture of the causes and consequences of entrepreneurial decisions.
