DRAFT NOW, LOSE LATER:

EVALUATING NFL PROSPECTS' DRAFT STOCK BASED ON CHARACTER CONCERNS

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May 2014

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Sport Economics

Expected completion: Spring, 2014

Abstract: In recent years, social scientists have shown an increased interest in researching the relationship between a person with a criminal record and their subsequent success in the labor market. This research paper will look at all 1,016 players who were drafted into the labor market of the National Football League between 2010-2013 to determine what affects character concerns, specifically arrest records and team conflicts, have on draft status. This paper will determine if college football players who have a history of non-criminal related suspensions will negatively affect their NFL draft stock more than those who have an encounter with law enforcement. To prove this, data must be collected from every player who was drafted in 2010-2013 and determine whether the player had a formal criminal charge or was suspended for team or university violations, or both. We then must collect data from expert NFL draft analysts to see the correlation of the player's pre-draft ranking (where they are projected to be drafted) and where the player was actually drafted. Then a beta regression model will be conducted to determine the correlation, if any, between the player's incident and where they were drafted compared to their pre-draft ranking.

Purpose and Objectives

Research Question: What off-field incidents affect a prospective NFL player's draft stock the most?

Thesis: The hypothesis is a player with history of a university or team suspension and criminal record will generally have a lower draft value. What needs to be answered is whether or not a history of suspensions affects a player's draft stock more than those with a criminal record.

Creative Intent

The intent behind this research project is to look at the unusual labor microcosm that is the NFL and how having a criminal record does not affect a potential player's hiring or performance in the league. In the general labor market, one of which seniors this year will venture into upon graduation, criminal record and character issues are held to a high regard in a firm's prospecting for potential employees. One advantage of studying the NFL labor market is that future performance is a high determinant in choosing a potential candidate for a certain team's roster. The intention of this project is to show that, unlike the general economic labor market, a criminal record is often overlooked when determining a player's future success in the NFL. To a certain extent, it is as though the NFL often gives troubled players a second chance when it comes to a criminal record, believing that they have changed their ways and are willing to clean up their past for the betterment of the team. The argument in this research will show how the economic labor market should follow the same guidelines as the NFL in the sense that employers should not look at a criminal record in disdain if the applicant has been rehabilitated themselves since the incident. Instead, employers should put more emphasis on the applicant's potential success with the firm in the future.

Methodology

To determine whether or not character issues negatively affect a player's draft stock more than having a criminal record, a number of regression models must be formulated. This research will observe all 1,016 players drafted between 2010-2013. First, the player's pre-draft ranking must be observed. *NFLdraftscout.com* contains pre-draft reviews of the top 750 NFL Draft prospects per year by expert analysts. Each review is split up into sections, which includes an overview scouting report, career notes, season analyses, game analyses, results of agility tests, high school information, and personal notes including any history of arrests or suspensions. This site will be utilized to determine their draft ranking and whether or not their criminal record or suspension affected their pre-draft ranking.

Since there are many outlying variables that affect a player's draft pick other than a history of criminal records or suspensions, developing a regression model that show the results of these rankings are still in the works of completion. The model that is available now is where "character" will be a dummy variable equal to 1 for players who had an arrest or were suspended for at least one game during their college careers. The control group will be players who have no record of suspensions or arrests. To determine the difference between pre-draft and draft position, data will be analyzed using the SPSS 22.0 software program. More specifically, a paired sample t-test will identify any significant changes or differences in a certain player's draft position. To identify if any of the "character issues" (Arrested and not charged, Arrested and charged, or violated and suspended) influence draft position, a MANOVA test will be conducted using the same SPSS software. If any significant differences are found in draft ranking with the variable "character," a post-hoc test will identify them. Keeping all other variables constant, the test will show which character issue, if any, affect a player's draft stock the most.

Results

We now turn to the main results of our regression analysis. Our data shows the results for the regression where the dependent variable is the player's overall draft order (ranging from 1-256) in his particular year. The focus of this paper is the concern of a player's personal character. The sign of the coefficient on the character variable is positive, implying that those with some history of bad behavior are taken later in the draft. The results show that players with character concerns fall 10 spots in the draft, and this result is almost statistically significant at the 5% level (p-value of 0.057). In the data, I divided the character variable into separate categories: players that were arrested but not formally charged with a crime, players that were arrested and charged, and players that were suspended for other violations (team, University policies, or NCAA violations). There are all compared to the baseline group of players with no record of arrests or suspensions. The results show that those who were arrested but not charged were drafted somewhat earlier than those with a clean history. Although the coefficient is negative, it is only marginally significant (p-value of 0.075). Having an arrest accompanied by formal criminal charges increases draft number by roughly 16 spots, which means that these players are drafted half a round later than those without any records. Finally, a team suspension drops a player almost 22 spots in the draft. The coefficients for being formally charged and for being suspended are both statistically significant at the 5% level.

These results may suggest that having a problem with coaches or fellow players is an indicator of NFL scouts foreseeing future problems and thus hindering their performance in the NFL, but having a run in with the law (generally unrelated to fellow teammates and coaching staff members) will not carry over in predicting future on the field performance

Annotated Bibliography

Allen, Samuel K. and Julianne Treme. 2009. "Widely Received: Payoffs to Player Attributes in the NFL." *Economics Bulletin.* 29.3, pp. 1631-1643.

Samuel Allen and Julianne Treme are members of the Pro Football Writers Association. In 2009, they lead an investigation to find the attributes that lead to the highest payoffs for wide receivers entering the NFL labor market via the draft. They found that media exposure in college, speed, and college performance are the chief determinants of draft placement and rookie salary. Interestingly, they also found that wide receivers who did well and were highly ranked in the NFL combine but were suspended from their college teams were paid 20% less than those who did as equally as well in the combine with no suspensions. The article did not directly state how a criminal record affects rookie salary. However, they did state that a college wide receiver that had any negative media exposure significantly reduces their salary for the first three years ("Negative exposure," the authors stated, could be anything from news of an arrest, suspension, disobedient behavior , or a poor performance on a nationally televised game). The idea of media exposure will be relevant for my thesis because highly ranked NFL prospects are constantly in the public eye. If news gets out that a said player has been suspended or arrested, their draft stock could easily be hindered.

Attner, Paul. 2000. "The Anatomy of a Draft Pick." *The Sporting News.* Pp. 42-45. Web

Paul Attner is a college football analyst who writes reviews on highly prospected players for the NFL, including his projections of where certain players will be drafted in the NFL. His article in *The Sporting News* argues how college performance, NFL combine results, off-field antics, size, speed, and agility are not the only factors that General Managers of pro football teams consider when drafting a college player; a lot of decisions are based off of the GM's sheer instinct. He explains how football executives possess extensive football knowledge and experience. Their jobs and their teams' success depend largely upon their judgment, instincts, and ability to share their knowledge. He recalls the Baltimore Ravens 1996 draft and how Ozzie Newsome, then GM of the Ravens, decided to draft Ray Lewis in the first round. At the time, Lewis was viewed as an undersized linebacker who's behavior on and off the field was highly questionable. Nonetheless, Newsome went with his gut instinct because he believed Lewis possessed "a burning desire to excel and a passion for the game" (Attner, 42). After 17 seasons, Lewis retired as a twelve-time pro bowler with two super bowl championships. This article is relevant to my research because Attner argues that while players might have character concerns off the field, pro football executives will often overlook these issues if the they could provide great value to their team. This could be seen as a counter argument to my research or perhaps an asset to it because it is interesting to see if GM's tend to overlook a player with a criminal record more so than one who has been suspended from their University or team.

Boeckmann, Robert J. and Tom R. Tyler. 1997. "Three Strikes and You Are Out, but Why? The Psychology of Public Support for Punishing Rule Breakers." *Law & Society Review.* 31.2, pp. 237-266.

Robert Boeckmann and Tom Tyler conducted a study to determine the public's perception of rule-breaking and subsequent punishment. Their results show that the public encourages the punishment of those who break the law not out of personal fear, but because of social concerns. They state that people often worry that if someone from their community commits a crime, this tarnishes the community's image and downgrades its moral and social behavior. This same phenomenon could happen on a football team-the Detroit Lions have recently been notorious for hiring criminals, which has tarnished the team's image to a large extent. This is important in my research because it suggests that public opinion may play a role in the NFL draft, as fans and the media could influence a team's decision making.

Dohrmann, George, and Jeff Benedict. "College Football and Crime." *Sports Illustrated* 7 Mar. 2011. Web

In 2011, George Dohrmann and Jeff Benedict conducted an unprecedented six-month investigation in *Sports Illustrated* on players that were charged with a crime on the top-25 ranked college football teams. They conducted background checks on all 2,837 players that were on these nationally ranked teams in 2011. What they found was that 7% the players in the preseason Top 25 (1 of every 14 players) had been charged with or cited for a crime, including dozens of players with multiple arrests. Of the 277 incidents uncovered, nearly 40% involved serious offenses such as assault and battery, domestic violence, aggravated assault, robbery, and sex offense. Atop the list of most players on a team charged was the University of Pittsburg which had an astounding 22 players on their 2011 that were charged with a crime. Despite the charges, however, Dohrmann and Benedict explained how most top Division 1 football coaches will sit down and talk to their potential recruits to see if their acts have changed since committing a certain crime. They give an example of Kenbrell Thompkins, who between the ages of 15-18 was arrested seven times for felonies ranging from battery to robbery. After spending two trouble-free seasons at a Junior college, Thompkins signed a letter of intent to the University of Cincinnati where he started for three years and eventually graduated with a 3.9 GPA. Currently, he now plays pro football for the New England Patriots. This story is relevant to my research because stories like Thompkins' show how most college coaches are strongly opposed to a hard and fast policy that denies players an opportunity to earn a scholarship if they have a criminal record. Most coaches understand that crimes should be dealt with on a case by case basis. They also understand that most of these players that were charged come from troubled backgrounds, and often times coaches bring them to their university in hopes that they can leave their troubled past behind.

Grogger, Jeffery. 1995. "The Effect of Arrests on the Employment and Earnings of Young Men." *Quarterly Journal of Economics.* 110.1, pp. 51-71.

Grogger's research in this article examines whether or not a criminal record ultimately translates into lower earnings over time. He finds that they do lead to a significant drop in earnings which increases for those with a longer criminal record. He also examines a major reason that employees with a criminal often face is difficulty holding onto their jobs and therefore return to crime: spotty work attendance, especially during a period of legal trouble. This is especially helpful because it examines a problem that is also present in employees with a clean record and how they are likely to be punished because the reason for missing work is different. Also, Grogger shows that employees with a rap sheet are more likely to get fired from their job if their production is lacking in the workplace. While this article does not necessarily pertain to football, it does offer some compelling insight on the labor market outside of the NFL and will be useful in my research paper in regards to the differences in both labor markets: a criminal record hinders an employee's ability advance their position and earn more income where as performance on the football field either hinders or advances their role on the team, regardless of criminal record.

Hendricks, Wallace, DeBrock, Lawrence, and Roger Koenker. 2007. "Uncertainty, Hiring, and Subsequent Performance: The NFL Draft." *Journal of Labor Economics.* 21.4, pp. 857-886

Hendricks et al. provide evidence that teams do not like to make risky decisions in early rounds of the draft, where they tend to only draft players from schools in prominent conferences. This comes to no surprise because teams will ultimately spend most of their salary cap on their first round draft pick. Like any business, teams tend to invest a substantial amount of their money in their most risk averse option; Hendricks, et al. believe that a team's first round draft pick tends to be the most risk averse. This could give reasoning as to why players with a history of character issues either with their team or with the law are often picked later in the draft. This is a counter argument to the research presented by Massey and Thaler who argue that teams draft inefficiently, especially in the first round, because of overconfidence. Because the vast amount of information available regarding the most hyped draft prospects, teams tend to be overconfident in assuming that these players will be the most productive on the field.

Massey, Cade and Richard H. Thaler. 2011. "The Loser's Curse: Overconfidence vs. Market Efficency in the National Football League Draft." *National Bureau of Economic Research.*

Massey and Thaler conducted a joint research dissertation for their master's degree in the School of Management at Yale University. Their research suggested that the "surplus value of the picks" during the first round actually increases throughout the round (6). This means that the players selected with the final pick in the first round on average produces more surplus to his team than the first pick, and costs 25% less in price. They conducted their research using two

methods: (1) the psychological aspect of the decision making that lead teams to overvalue their first round pick and (2) the market efficiency of paying a high salary to early first round picks compared to trading a team's first round pick in exchange for more picks in later rounds. Massey and Thaler conclude that pro football teams often overvalue their first round draft pick and do not have rational expectations regarding their ability to predict player performance. This could be seen as a counter argument to Paul Attner who suggested football executives have innate football knowledge to have confidence in their abilities to predict the future performance of their draft picks. The most interesting component of this dissertation, and the one that pertains to my research the most, is the authors' explanation of the psychological aspect in choosing a draft pick. They proposed that pro football coaches and executives focus too much on the physical aspect of a college prospect (i.e. their height, weight, speed, and results at the pro combine) rather than reviewing their past with their college team. They argued that most coaches do not take into account the character issues that I've stated before. The results showed that coaches who did not take coaching concerns into consideration often overpaid their first round draft pick and saw them flop within the first 5 years of signing them.

Pager, Devah. 2003. "The Mark of a Criminal Record." *American Journal of Sociology.* 108.5, pp. 937-975.

Pager uses a matched pairs experiment to estimate to estimate the effect of criminal records on callback rates for job applicants. Her analysis shows that those with criminal records are significantly less likely to be called back, and the magnitude of the effect is larger for blacks than whites. Again, this differs from the NFL job market where having a criminal record may effect a player's draft stock, but does not affect their performance on the football field