

An Analysis of 2014-2016 International Talent Inflows into Major League Soccer

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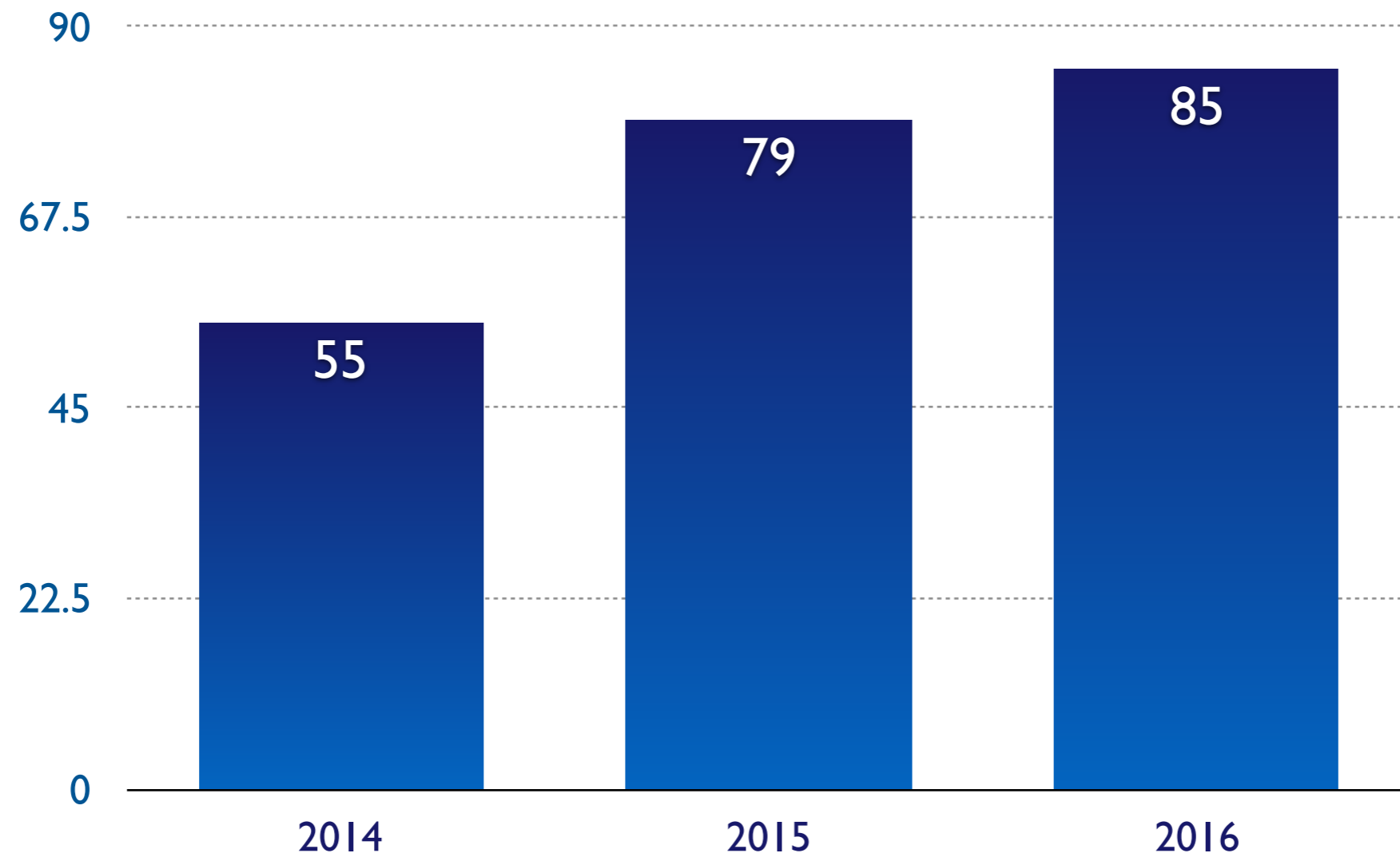


Introduction

- Inflows of talent from leagues outside North America serve a crucial role in helping Major League Soccer meet its most important objective: continually enhancing the League's level of play
- While this reality is known to many, this presentation seeks to provide answers to more specific questions related to international talent inflows into the League that are not widespread:
 - Is the share of players coming to MLS from European Leagues closer to 40% or 80%?
 - What percentage of incoming players depart after only a single MLS season?
 - Do MLS teams have specific tendencies when it comes to the continents that they recruit talent from?



Annual Distribution



International Talent Inflows into MLS by Year (2014-2016)



Continental Breakdown (I)

Location of Player's Previous Club	Share of All International Transfers	Average Age	Average Annual Compensation	Median Annual Compensation	Share Returning to MLS after One Season
Africa	1.83%	23.25	\$56,912.50	\$56,912.50	100.00%
Americas	32.88%	24.35	\$204,531.63	\$132,500.00	64.06%
Asia	0.91%	28.00	\$242,500.00	\$242,500.00	50.00%
Caribbean	2.28%	21.40	\$59,842.68	\$59,585.34	75.00%
Europe	59.36%	27.12	\$811,208.53	\$228,499.92	70.83%
Middle East	2.28%	25.20	\$447,220.00	\$412,500.00	60.00%
Total	100%	25.95	\$566,808.54	\$174,500.00	68.34%



Continental Breakdown (II)

- Unsurprisingly, Europe (59.36%) and the Americas (32.88%) represented the dominant sources of international talent inflows into MLS from 2014 to 2016
- Players leaving the Americas tended to be younger than those departing Europe (24.35 years old for the former compared to 27.12 years old for the latter)
- 31.66% of players entering MLS left the League after a single season
- The presence of significant outliers in the upper end of the annual compensation distribution leads to a significant discrepancy between average and median annual compensation



Positional Breakdown (I)

Position	Share of All International Transfers	Average Age	Average Annual Compensation	Median Annual Compensation	Share Returning to MLS after One Season
Forward	30.14%	25.67	\$680,764.59	\$189,000.00	68.33%
Midfielder	34.25%	26.15	\$763,732.63	\$202,500.00	69.01%
Defender	30.14%	25.88	\$230,106.00	\$153,000.00	68.33%
Goalkeeper	5.48%	26.58	\$364,764.49	\$90,316.50	62.50%
Total	100%	25.95	\$566,808.54	\$174,500.00	68.34%



Positional Breakdown (II)

- International talent inflows into MLS appeared to be very well balanced between all three “non-goalie” positions, with forwards, midfielders and defensemen all accounting for between 30% and 35% of international transfers
- In terms of annual average compensation, offensive positions were rewarded much more handsomely than defensive positions; whether this pattern matches well-established international transfer norms related to under-compensating defenders requires further investigation in the exact quality of players that came into MLS from international leagues between 2014 and 2016



Compensation Breakdown (I)

Compensation Bracket	Share of All International Transfers	Average Age	Share Returning to MLS after One Season
Less than \$100,000	26.94%	23.47	62.50%
\$100,000 to \$250,000	30.14%	26.09	63.93%
\$250,000 to \$500,000	15.07%	27.06	78.79%
\$500,000 to \$1.5 Million	10.05%	26.55	95.24%
More than \$1.5 Million	6.85%	30.80	86.67%
No Public Information	10.96%	26.50	38.10%
Total	100%	25.95	68.34%



Compensation Breakdown (II)

- The majority of international talent inflows into MLS belonged to the less than \$250,000 annual compensation bracket, which mirrors its existing talent base
- While several variables undoubtedly impact whether a player leaves MLS after a single season (from cultural assimilation to playing time), the data exposes a strong relationship between annual compensation, as well as contract length (which is highly correlated with annual compensation), and a player staying in MLS
- The very low “staying rate” for players whose annual compensation is not made public is in no way a coincidence since the contract information of players who leave MLS during their first season is not disclosed by the MLS Players Union



Eastern Conference Tendencies

Team	International Acquisitions (2014-2016)	Continent Tendency	Country Tendency	Position Tendency
Chicago Fire	20	Europe (75%)		MF (45%)
Columbus Crew	15	Europe (80%)	Scandinavia (40%)	D (47%)
D.C. United	6	Europe (83%)	Sweden (33%)	MF (50%)
Montreal Impact	10			
New England Revolution	6	Europe (100%)	Switzerland, England (33%)	GK (33%)
New York City FC	16			D (50%)
New York Red Bulls	10	Europe (80%)		F and D (90%)
Orlando City	13	Americas and Europe (100%)		
Philadelphia Union	11	Europe (73%)		MF (45%)
Toronto FC	12	Europe (75%)	England (33%)	F (42%)



Western Conference Tendencies

Team	International Acquisitions (2014-2016)	Continent Tendency	Country Tendency	Position Tendency
Colorado Rapids	9		Argentina (33%)	MF (44%)
FC Dallas	11	Americas (64%)		F and MF (100%)
Houston Dynamo	10	Americas (60%)	Spain (30%)	MF (50%)
Los Angeles Galaxy	10	Europe (90%)	Sweden (30%)	MF (50%)
Portland Timbers	13	Caribbean and Middle East (15%)		D (54%), GK (15%)
Real Salt Lake	4	Americas (50%)		F (50%)
San Jose Earthquakes	10			F (40%)
Seattle Sounders	6	Americas (50%)	Argentina (33%)	MF (67%)
Sporting Kansas City	12	Asia and Middle East (17%)		
Vancouver Whitecaps	11	Americas (73%)	Uruguay (36%)	F (45%)



Conclusion

- From the exact shares of American and European league talent entering MLS to the specific recruiting tendencies of clubs, data on international talent inflows into MLS provides very interesting information for both fans and executives
- While the aim of this analysis was purely descriptive, further research efforts should seek to determine whether (I) inefficiencies exist in the compensation patterns of players entering MLS and, if such inefficiencies exist, (II) whether they match those existing in other professional leagues

