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Description of the Process of Becoming a Major League Baseball Free Agent

 Kids and adults alike often have the dream of becoming a professional baseball player. Besides the glamour of being famous and being watched, admired, and followed by tens of millions of people across the globe, one of the main reasons why people have this dream is because of the exorbitant amounts of money that they see players making. This is not as simple as it seems though; as unlikely as it even is to become a professional baseball player, there are still many more steps before reaching the ability to earn all this money. The step where players finally earn these huge sums of money is called Free Agency, which is the process that will be described, after which he has the right to sign with any team for any sum him and the team find agreeable.

Qualifying Offer

Free Agency

The first step towards becoming a major league baseball free agent is to be signed by a major league team. There are two ways to be eligible to be signed by a team, and they are dependent on the location where a player lives. If a player lives in any country other than the United States, Canada or Puerto Rico, he is considered an “international prospect,” and can sign with a team from the age of sixteen and on. The second, and more common way, is by the player being selected in the annual Major League Baseball draft, in which more than 1,000 players are selected by teams each year. In order to be eligible for the draft, a player has to fall into one of three categories. The first category is someone who has completed high school but has not yet attended college. The second category includes players who are currently attending Junior colleges, and the final category is for players currently in college that are either finishing their Junior or Senior year. If selected in the draft, the player has the option to sign with that team, or to go on to/ continue in college and re-enter the draft when he is next eligible.

 If a player decides to sign with a team, the next step is to play in the minor leagues. In this stage, the player proceeds through each level of the minor leagues, where players’ salaries range from $1,000 to $10,000 a month based on their level. Many times, minor league players do not even make close to minimum wage, since they are exempt from federal wage laws. This stage is completed when the team promotes the player to the Major Leagues.

 Once a player has reached the major leagues, his first three seasons are considered “pre-arbitration seasons” in which the player receives around the league minimum salary. Each season is defined by how long the player has been on the major league roster. In order to be considered a full year, the player must be on the roster for about 170 days of the 185-day season. If the player is sent down to the minor leagues or placed on the Disabled List due to injuries, these days do not count towards the “year”. The exceptions to the three year rule are called “Super Twos”, the top 22% of players (based on time on the active roster) who have been in the league for between two and three years, and they become “arbitration eligible” early.

 In the next step, a player proceeds through the arbitration years, during which he gets his first chance to negotiate his contract, but still has his rights owned by the team. When a player is arbitration eligible, he tries to work out an agreement with his team for a salary based on what the players with comparable stats have earned through arbitration in recent years. If by mid-January an agreement has not yet been reached, the player and team then exchange salary amounts for what they want for the upcoming year. The player and team have a month to work out a mutually acceptable salary before the case is brought before a group of arbitrators that have nothing to do with baseball. At this point, both the player and team try to use statistics to convince the group of arbitrators that their salary offer is more logical. After hearing the arguments, the arbitrators do not work out a settlement between the team and player, but rather choose one of the two figures. This process repeats itself following the player’s third, fourth and fifth seasons, in which the player’s salary usually gradually increases each year. Following the player’s sixth full season in the major leagues the team has the right to offer the player a “qualifying offer.” The qualifying offer is a one-year contract that has the mean value of the average annual salary of the top 125 paid players in the sport. At this point, the player has ten days to decide whether to accept this deal. If the player declines this offer, or the team chooses not to make this offer to the player, the player has finally reached the desired step of Free Agency.

 To conclude, in order for someone to reach major league baseball free agency, which is the stage that a player has his rights owned by no team, and can therefore make huge salaries because all teams can bid for his services, he must pass through a few steps. The steps start by getting signed by a team, either through the draft or international free agency and continue as the player makes his way up to the major leagues. Once in the major leagues, the player has to make his way through pre-arbitration, arbitration, and possibly the qualifying offer before he reaches the desired step of free agency.

Yes

Qualifying Offer

Free Agency

Player plays in the Minor Leagues

Any year in a junior college

After HS

No

Is the prospective player in the US, Canada or Puerto Rico?

Player can sign with a team at 16

Player needs to be drafted

Player gets called up to Major Leagues

Pre-arbitration

As a junior or senior in a college

Arbitration