Effects of Major League Baseball on Economic Development in the Dominican Republic

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This paper examines the growing economic impact of MLB on the Dominican economy. After introducing the Dominican baseball experience, it examines the rapid growth of salaries paid to Dominican-born major league players and provides perspective on how the growth in those salaries relates to growth in Dominican GDP. Because relatively few players account for most of the earnings by Dominican MLB players, the spending and investment patterns of these particular individuals are explored. The paper also examines the growing economic impact of the MLB academies at the grassroots level in Dominican neighborhoods.

Introduction

Dominicans have been included in the ranks of Major League Baseball players in the United States ever since Ozzie Virgil began playing with the New York Giants in 1956. Since then, 450 Dominican-born players have played in major league games. In the early years, Dominican-born players like Ozzie, Felipe Alou and Juan Marichal inspired the hopes and dreams of other young Dominicans. But the economic effects on the Dominican economy were minimal.

Now as MLB increasingly relies on foreign and especially Dominican players, the real economic effects of MLB on this small Caribbean economy have become worth examining. Today nearly every MLB team has a baseball academy there. Just in the last 20 years, the number of Dominican-born MLB players on starting day has more than tripled. An estimated 25 percent of all minor league players are from the Dominican Republic – about 1600 ball players. (Cary, 2007) At the same time, MLB salaries have soared. Together these effects mean that total salaries of Dominican MLB players have increased more than 20 fold in as many years.

1 We appreciate the efforts of Daniel Hauser, Montgomery Blair High School, Silver Spring, MD in compiling the data on Dominican MLB players salaries used in this paper. We also thank John Seibel, who provided an initial background paper to stimulate our research.
This paper will assess the growing economic impact of Major League Baseball on the
Dominican economy. It begins with some background about the Dominican baseball
experience and the changing presence of baseball in the Dominican Republic. Then it
examines the rapid growth of salaries paid to Dominican-born major league ballplayers.
This is followed by an overview of the Dominican economy and the various sources of
economic growth there and an assessment of contribution of baseball in the overall
growth picture. Finally, the paper examines how individual star players have re-invested
their newfound wealth in their homeland.

**Baseball in the DR: inspiration, exploitation, or investment?**

Baseball is something special in the Dominican Republic. Just one town in the southeast
corner of this island – San Pedro de Macorís -- has produced 78 major league players
including Sammy Sosa. (Kurlansky, 2007) Many other major league stars and hundreds
of other major league players have come from small towns scattered around this island
nation less than a third the size of Illinois. Young Dominican boys have lived and
breathed baseball for many decades, with dirt streets as playing fields, sticks as bats, and
rolled up socks as baseballs. The love of the game, which is played year round,
permeates the culture. Baseball gives young Dominicans hope and something to strive
for; for some -- Vladimir Guerrero, Pedro Martinez, David Ortiz, Albert Pujols, Manny
Ramirez, Alfonso Soriano, and Miguel Tejada -- it has provided a ticket to a much better
life.

Baseball was introduced to the Dominican Republic from Cuba around 1890.
Professional Dominican teams were formed in the early 1900s, and amateur baseball
teams grew up in the sugarcane fields that at this time dominated the country’s economy.
Baseball was introduced by the sugar refineries to entertain the workers during the slow
work season. But before long community spirit ignited intense rivalries between the
various refinery communities and the sport began to take off. (Klein, 1991: 25) During
the U.S. occupation of the country in 1916-1924, Dominican teams took on U.S. military
teams. Some Dominican historians believe that the best baseball in the world was played
in the DR in 1937 during the Ciudad Trujillo championship, attracting talented players
from Cuba and the Negro Leagues in the United States. (Ruck, 1991: 10-33)

Osvaldo Virgil was the first Dominican to debut in a MLB game in 1956. Since then
hundreds have played; the Dominican Republic contributes more foreign-born talent to
the MLB rosters than any other country – 94 players in 2007. Venezuela ranked second
with 50 players, but it has more than twice the population of the Dominican Republic.
Puerto Rico followed with 28 MLB players. (Kurlansky, 2007). Dominicans and other
foreign-born players have an even larger presence in the minor leagues. Foreign-born
players made up 46.2 percent of minor leaguers at the start of the 2007 season; the
percentage in the major leagues was about 26 percent. More than half of foreign-born
minor league players are from the Dominican Republic – one quarter of all minor league
players. (Moore, 2007; Cary, 2007)
But it’s not just a love of the game that puts Dominican players on MLB teams. The Dominican Republic, although it has been growing rapidly in over the last two decades, is still among the poorest countries in Latin America. Jobs are scarce, wages are low, and unemployment and underemployment are high. MLB has increasingly searched for and cultivated talent in the Dominican Republic for economic reasons – talented players come cheap there. The New York Mets General Manager in the late 1990s was quoted as saying, “You can develop 30 to 45 players from the Dominican for what it costs to sign a second-round draft pick in the States.” (As cited in Juffer, 2002: 348)

Major league teams began to establish academies in the Dominican Republic in the late 1970s. The Los Angeles Dodgers and the Toronto Blue Jays were among the first teams to do so. Today almost every team has some form of an academy there, where promising players are provided with food, healthcare, and training. Those prospects that are selected to sign contracts get both a salary and a signing bonus.

While the signing bonuses earned by young Dominicans are usually quite low compared to those earned by American prospects, even the average bonus of $5,000 to $8000 is higher than average GDP per capita. (Elliott, 2006) (Seibel, 2006) Some young Dominican ballplayers benefit from a bidding war for their services and are able to command signing bonuses that are significantly higher than the average. Esmailyn Gonzalez was signed in 2006 by the Washington Nationals for $1.4 million when he was 17 years old. This enabled him to buy a Cadillac Escalade and build a new house for his family. (Svrluga, 2006)

It is not only the prospect himself who benefits from the signing bonus. Twenty percent of Gonzalez’ bonus was paid to his buscon, or agent. (Svrluga, 2006) This is a substantially higher percentage than agents receive in the United States, but the role of buscones is commensurately more involved than that of a typical agent, combining the roles of scout, trainer, and agent. A talented Dominican youth is often discovered by a buscon at age 14 or 15. The prospect often lives and trains with the buscon who will arrange tryouts for his client upon his turning 16. Despite the allegations of corruption, the estimated hundreds of buscones provide a service in discovering and developing talented ballplayers. Many Dominican major leaguers remain grateful to their agent. Wilson Betemit, third baseman for the Los Angeles Dodgers, supplies the training facility run by his uncle with the shoes, gloves, and bats that are so rare in the Dominican Republic. (Brown, 2006)

Of course the vast majority of the hopeful young ballplayers do not make it to the major leagues, or are quickly released from the minor leagues if they make it to the States. Some neglect their schooling in pursuit of their baseball dream. And of those who do make it to the United States, an estimated 90 to 95 percent are released from their contracts at the minor league level. (Villegas and Breton, 2002)

On the other hand, the salaries and bonuses paid to the players, and the resources to run the academies, pump real dollars into poor Dominican neighborhoods. The economic benefits can no longer be considered negligible. For example, the San Diego Padres
began building a state-of-the-art training facility in San Cristobal in January of 2007. The cost of construction was expected to be about $8 million. The facility is being built on 15 acres overlooking the Caribbean, featuring two and one-half practice fields, air-conditioned accommodations for up to 60 players, residences for managers and coaches, administrative offices, a 20,000 sq-ft clubhouse, a dining hall, and classrooms. The Padres estimate that the cost of running the camp will be at least $1 million annually. (Center, 2007)

Not all of the academies in the Dominican Republic are state-of-the-art quality – but they are moving in that direction. Marcano Guevara and Fidler (2002) wrote about the experience of Alexis Quiroz in the Chicago Cubs Dominican Academy in the mid-1990s. The conditions were deplorable – three dozen players were crammed into a small house with only one toilet. When Quiroz first arrived there was no running water. Later, in 1997, Quiroz trained with the Oakland Athletics at their Dominican facility in La Victoria, under conditions that were far superior. The Baltimore Orioles up until now have had a low-budget facility in the DR, but plan to rent a modern facility for an academy to open in April of 2007. The Pittsburgh Pirates also have plans for a new academy in the Dominican Republic. The New York Mets also broke ground in July 2007 on a $7.5 million state-of-the-art facility near Boca Chica.

John Seibel (2006) estimated the cost of operating 28 MLB academies in 2005 to be $14 million annually. They further estimated that signing bonuses paid to new prospects brought an additional $17.5 million into the country. Dominican Summer League would bring in $2.75 million for the 3-month salaries for and the administrative costs of the league. Observation trips by MLB official to the DR was estimated at $360,000. The total annual economic impact in terms of dollars spent in the Dominican Republic (excluding building costs) thus came to about $35 million in 2005. The new academies scheduled to open in the 2008 season will increase that significantly.

**As MLB salaries grow, Dominicans earn a larger share**

This grassroots level investment by MLB is only the beginning, however; and it is small when compared to the salaries of those select few ballplayers that eventually make it to the top of the major leagues in the United States. Dominican-born players on MLB rosters earned nearly $300 million in 2007. The growth of the academies since the late 1970s has sent increasing numbers of Dominicans to the major leagues during a period of rapidly rising salaries.

In 1988, MLB had 31 Dominican-born players on its rosters on opening day, with salaries totaling $13.9 million. By 2007, that had grown to at least 94 players with salaries totaling $291.9 million. Over the same period, the number of MLB teams increased and the total number of players increased from 660 to 818, but the Dominican Republic has also doubled its share of players. In the late 1980s and early 1990s 5 to 6 percent of MLB players had been born in the Dominican Republic; but in the last few years about 11 percent of the players are Dominican born. (See Table 1 below)
Table 1

Dominican-born players in Major League Baseball, 1988-2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Total payroll</th>
<th>Total salaries</th>
<th>Dominican share of payroll</th>
<th>Dominicans in top 25 highest paid players</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$2,389,563,774</td>
<td>$291,851,441</td>
<td>12.2%</td>
<td>7</td>
</tr>
<tr>
<td>2006</td>
<td>$2,238,433,352</td>
<td>$250,549,331</td>
<td>11.2%</td>
<td>5</td>
</tr>
<tr>
<td>2005</td>
<td>$2,096,364,898</td>
<td>$238,285,034</td>
<td>11.4%</td>
<td>3</td>
</tr>
<tr>
<td>2004</td>
<td>$1,978,046,776</td>
<td>$195,571,334</td>
<td>9.9%</td>
<td>3</td>
</tr>
<tr>
<td>2003</td>
<td>$2,057,382,128</td>
<td>$200,069,734</td>
<td>9.7%</td>
<td>4</td>
</tr>
<tr>
<td>2002</td>
<td>$1,966,722,523</td>
<td>$165,352,394</td>
<td>8.4%</td>
<td>4</td>
</tr>
<tr>
<td>2001</td>
<td>$1,921,177,981</td>
<td>$159,214,834</td>
<td>8.3%</td>
<td>4</td>
</tr>
<tr>
<td>2000</td>
<td>$1,628,832,461</td>
<td>$126,045,000</td>
<td>7.7%</td>
<td>4</td>
</tr>
<tr>
<td>1999</td>
<td>$1,414,406,933</td>
<td>$90,167,500</td>
<td>6.4%</td>
<td>3</td>
</tr>
<tr>
<td>1998</td>
<td>$1,174,222,333</td>
<td>$74,037,667</td>
<td>6.3%</td>
<td>2</td>
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<tr>
<td>1997</td>
<td>$1,028,867,860</td>
<td>$63,815,565</td>
<td>6.2%</td>
<td>0</td>
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<tr>
<td>1996</td>
<td>$867,325,344</td>
<td>$47,212,791</td>
<td>5.4%</td>
<td>0</td>
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<tr>
<td>1995</td>
<td>$853,493,740</td>
<td>$40,655,500</td>
<td>4.8%</td>
<td>1</td>
</tr>
<tr>
<td>1994</td>
<td>$853,199,262</td>
<td>$35,683,500</td>
<td>4.2%</td>
<td>1</td>
</tr>
<tr>
<td>1993</td>
<td>$829,865,854</td>
<td>$37,801,334</td>
<td>4.6%</td>
<td>0</td>
</tr>
<tr>
<td>1992</td>
<td>$760,089,114</td>
<td>$37,925,334</td>
<td>5.0%</td>
<td>0</td>
</tr>
<tr>
<td>1991</td>
<td>$609,710,142</td>
<td>$31,607,500</td>
<td>5.2%</td>
<td>0</td>
</tr>
<tr>
<td>1990</td>
<td>$440,269,258</td>
<td>$26,207,166</td>
<td>6.0%</td>
<td>2</td>
</tr>
<tr>
<td>1989</td>
<td>$341,275,282</td>
<td>$18,491,333</td>
<td>5.4%</td>
<td>2</td>
</tr>
<tr>
<td>1988</td>
<td>$281,882,320</td>
<td>$13,915,500</td>
<td>4.9%</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: This data was assembled from two websites: asp.usatoday.com/sports/baseball/salaries and www.baseball-reference.com with the help of Daniel Hauser in June and July of 2007.

Over the entire 20-year period, the total payroll to Dominican-born players has grown at the astonishing rate of 17.4 percent. Dominican-born players are taking home a larger share of the MLB total payroll, not only because Dominicans make up a larger share of the players, but also because Dominican salaries have increased faster than average. Average MLB salaries increased at the rapid rate of 9.5 percent over the period, but average Dominican salaries increased at a rate of 10.7 percent. Top MLB salaries have grown faster than those for the majority of players and Dominican-born players are increasingly found among the highest-paid players in Major League Baseball.

Baseball’s contribution to a growing, diversified Dominican economy

In real terms (adjusted for inflation) baseball salaries paid to Dominican-born players that make it to the major leagues have been galloping upward at a growth rate of 14.3 percent per year from 1988 to 2007. The Dominican economy has also grown rapidly in recent years; GDP growth in real terms over the decade from 1992 to 2002 was 6.2 percent.
The collapse of a major bank due to poor investments, embezzlement, and fraud provoked an economic crisis in 2003, and growth slowed to around 1 percent in 2003-04, but the economy bounced back to real growth rates of 9.5 percent in 2005, 10.7 percent in 2006, and 8 percent in 2007. (EIU Country Report, August 2007: 12) While the salaries of Dominican MLB players and the costs of running academies and signing promising players have surely made contributions to this positive overall growth, how significant are these effects in the big picture?

The Dominican Republic can be described as a small island economy. It is larger than most of the islands in the Caribbean and also poorer than most on a per capita basis. It has a population of 9.2 million people living on a land base of 18.7 thousand square miles. An average GDP per capita of $4120 puts it below the median in economic terms among countries in Latin America. Despite the recent growth, unemployment is still high, at 15 percent of the labor force in 2007. (EIU CR, August 2007: 12).

Traditionally, dating back to the early 1500s, the Dominican Republic was a sugar-dependent economy. Slaves were imported from Africa to work on the sugar plantations of the Spanish elite. But the Spanish colony stagnated for two hundred years as a battlefield in European power struggles. When the country finally won independence in 1844, internal power struggles continued to impede economic growth. Stability was restored during the U. S. occupation, which began during World War I and lasted eight years. Foreign investors took over and expanded the sugar estates. Rafael Trujillo rose to power under the military framework established during the occupation and instituted himself as president in 1930. During his 31-year dictatorship, about half of the sugar industry and most others agricultural exports became the personal property of the Trujillo family. (Meyer, 1989: 26-31)

Agriculture was the leading sector in the economy through the mid-1970s. At this time, the value of sugar exports exceeded the total value of all other principal agricultural exports by about 50 percent. (Meyer, 1989, p. 34) But by the early 1980s, sugar had declined substantially and manufacturing overtook agriculture in its contribution to GDP. Sugar remains the most important agricultural export; it contributed $132.6 million in export earnings in 2006. (EIU Country Profile, 2007: 28)

Table 2

<table>
<thead>
<tr>
<th>Origin of GDP 2006</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>25.9</td>
</tr>
<tr>
<td>Commerce</td>
<td>10.6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>9.7</td>
</tr>
<tr>
<td>Communications</td>
<td>7.6</td>
</tr>
<tr>
<td>Hotels, bars &amp; restaurants</td>
<td>7.6</td>
</tr>
<tr>
<td>Construction</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Source: EIU Country Report, August 2007, p. 5
Today the Dominican Republic has a diversified economy with manufacturing and commerce as the sectors that contribute most to GDP. Agriculture comes in third, producing less than ten percent of GDP. The manufacturing sector produces primarily for domestic consumption. The value added in free-trade zone manufacturing for export represented about four percent of GDP in 2006, while free-zone export sales amounted to $4.5 billion. The tourism industry is a major employer and the leading sector in foreign exchange earnings. It brought in $3.8 billion in earnings in 2006.

Tourism has been a leading growth sector over the last 10 to 15 years, and tourism has boosted other sectors such as construction, transport, and commerce. The number of hotel rooms has more than doubled since 1994; at that time there were just under 30,000 rooms. In 2006, there were 63,206 available rooms filled to an occupancy rate of 73 percent. With new passport requirements in the United States, tourism growth slowed in 2007. But authorities still forecast a 90 percent increase in tourism by 2015 and plan to increase infrastructure accordingly. (EIU CR, August 2007: 27, EIU CP, 2007: 27)

The communications sector has also experienced dynamic growth over the last decade or so. During the 1990s, telephone landlines doubled to 955,000 in 2001 and then fell to 897,000 over the next five years as mobile phones surged. While the penetration rate for landlines was just 10 percent in 2006, the same rate for mobile phones was 51 percent. (EIU CR, August 2007: 12-13)

Construction has also been a dynamic sector. In part this is due to extensive public investment in energy, airports, roads and public housing in the late 1990s. But private domestic and foreign investment in residential property has also contributed. The latter may certainly reflect investments from baseball players and MLB for academies. A new home for their mother rates high among the goals for Dominican ball players. In 2006, foreign direct investment in the Dominican Republic totaled US $1.2 billion; the Dominican Republic was outranked only by Panama and Costa Rica in Central America. The primary targets were telecommunications and tourism, which accounted for 27.4 percent and 23.3 percent of FDI respectively. But investments in real estate accounted for 15.3 percent of FDI in the Dominican Republic; and international second homes have begun to play a role in the development of the tourism sector. Data is not readily available on how many of these second homes are for ball players.

The data on workers remittances also tends to reflect the rising salaries for Dominican-born MLB players and suggests a role for MLB in recent economic growth in the Dominican Republic. Dominicans rely rather heavily on workers remittances from family members living abroad for income. Such remittances have grown rapidly over the last decade and would include those from baseball players. Workers remittances for 2006 amounted to US$2.75 billion. This represented about 7.3 percent of GDP. (EIU CP, 2007: 28) Analysts credit rising worker remittances as underpinning the recent growth of consumption spending in the Dominican Republic. (EIU CR, August 2007: 10, EIU CP, 2007, 28)
Nevertheless, approximately 1 million Dominicans live abroad and send money home; the number of ballplayers in the major and minor leagues in the United States is only about 1700. Still, salaries of MLB players on opening day in 2007 stood at $291.9 million. This represents 10.6 percent of 2006 worker remittances and about 0.77 percent of GDP for the Dominican Republic. Of course, most of what MLB players earn is not sent back to the Dominican Republic. Minor league players also send money home, but while their numbers are much greater and they may send a greater percentage of their salaries home, their total salaries would only add another $5.6 million to the $291.9 million earned by Dominicans in the major leagues. So while the rapid growth in baseball salaries may be significant at the margin to economic growth in the Dominican Republic, remittances by other Dominicans living abroad swamp those of ball players.

Thus, while MLB is certainly having a growing economic impact in the Dominican Republic, it is clearly not the major factor in the rapid economic growth the country has been experiencing. The growth in the tourism industry, the communications industry, and the level of worker remittances from Dominicans living abroad have all had a much bigger impact. Nevertheless, real economic effects are visible on the ground in poor Dominican communities, where jobs are being created in construction and to service the academies. The multiplier effects are felt throughout these poor communities. The rise of Dominican MLB stars also brings “name recognition” to the DR, which is entirely compatible with the growing tourism industry. The tourism industry is primarily focused on the country’s beaches, but it is also bringing tourists to see the Dominican Professional League games played in December and January.

One way to come to grips with the magnitude of the potential impact of MLB in a growing and increasingly diversified Dominican economy is to compare the salaries of Dominican MLB players to export earnings of the sugar industry. MLB players now earned more than double the amount of sugar export earnings for this formerly sugar-dependent economy – $291.9 million compared to $132.6 million in 2006 sugar export earnings. It’s small, but it’s not insignificant.

**How are the big stars spending their money?**

The real question remains, what are the players with mega-salaries doing with their money? In 2007 ten Dominican players had salaries of $10 million or more – these ten players alone accounted for 47 percent of total Dominican MLB salaries. Many other individual players have earned salaries in excess of $1 million for up to a decade or more. The spending and investment patterns of these particular individuals to a large extent determine whether MLB is having significant economic effects in the Dominican Republic.

Comprehensive data to address this question is difficult to come by, but considerable anecdotal data is available. For example, Miguel Tejada signed a $72 million contract in 2003. In addition to houses for himself and his father in his hometown of Bani, Tejada built a baseball stadium. (Brennan, 2005) According to Seibel, several other former
Dominican ballplayers, including George Bell, Salomon Torres, and Melido Pérez have invested in baseball facilities that they lease to major league teams. Moises Alou, of the esteemed baseball family, owns a ranch in Villa Mella with scores of horses and several employees. (Red, 2007) While all of these examples illustrate infusions into the local economy via construction and employment opportunities, some of the wealthiest Dominican major leaguers have made much more significant investments.

Pedro Martinez is considered one of the best pitchers in recent years, having won the Cy Young award for best pitcher three times. He has earned well over $100 million during his career. With his wealth, Martinez has done a great deal to transform Manoguayabo, the neighborhood where he was born. (Macur, 2004) He has built houses for perhaps 30 to 40 of his friends and neighbors, as well as a compound of homes for himself and his family. Martinez helped to pave the main road in the neighborhood. He has also constructed a new school and church. Martinez also employes many in the neighborhood, whether in the window factory he built, or working as bodyguards, chauffeurs, or public relations staff. There are plans to construct a high school, police station, and health clinic.

Much like Martinez, Vladimir Guerrero has invested heavily in his community, Don Gregorio de Nizao. (Millman, 2005) Some fellow professional baseball players inspired Guerrero: Dave Valle distributed small start-up loans to Dominican businesses, and Alfonso Soriano helped his brothers to build a car wash. Guerrero started by building a seafood distributorship. His company would buy the excess catch of local fishermen and freeze it, selling it elsewhere. Before this, the fishermen could sell only what was needed locally, and the surplus would spoil. Guerrero was constructing so many homes and facilities that he decided to build a concrete block factory, a trucking business, a propane distributorship, and a hardware store. He also owns livestock, a vegetable farm, a supermarket, and two butcher shops. In addition he also gives $2,000 loans to local businessmen.

The impact of Major League Baseball has also been felt through the charitable efforts of players, teams, and the league itself. After Hurricane George left thousands in the Dominican Republic homeless in 1998, MLB made a donation of $500,000. (Seibel) Sammy Sosa led efforts that brought over $1 million of aid to the island after the storm. (Berkow, 1999) Another storm devastated the Dominican Republic in 2004, causing massive flooding. The United Nations Development Program recognized baseball players Pedro Martinez, Manny Ramirez, and David Ortiz, along with John Henry, principal owner of the Boston Red Sox, for “their generous contributions to relief and recovery” which totaled more than $200,000. As an illustration of the relative magnitude of this donation, the U.S. Agency for International Development provided $300,000 in emergency relief funds for the Dominican Republic. (Green, 2006) Individual teams have made charitable contributions. The Oakland Athletics donated 4,200 wheel chairs to the Dominican Republic, and the Los Angeles Dodgers support a school in Guerra, while the Boston Red Sox support the community of Mamon. MLB has formed the Baseball Tomorrow Foundation, financed by team owners and the player’s union, which has built three model playing fields in the Dominican Republic. (Seibel, 2006)
Many other current and former players have personal foundations through which they carry out their charitable activities. Manny Mota started the Manny Mota International Foundation over thirty years ago. He persuaded a surgeon from Los Angeles to donate equipment and expertise that led to an increased availability of gallbladder surgery. (Engel, 2007) The Manny Mota International foundation has built a recreational center, baseball fields, and a medical dispensary, along with donating food. (Manny Mota International Foundation website) Juan Marichal has hosted a charity golf tournament in the Dominican Republic for over twenty years. Similarly, David Ortiz of the Boston Red Sox hosts an annual charity softball game. Ortiz donated $200,000 to a hospital to enable the creation of the first pediatric cardiovascular unit in the Dominican Republic. (Grossfeld, 2006) Other players with their own foundations include Sammy Sosa, Albert Pujols, and Jose Mesa.

In an effort to achieve a more comprehensive vision of the spending and investment of highly paid Dominican MLB players, a subset of 22 players that satisfied the following condition was chosen: the players appear in the top 10% of highest paid Dominican players on MLB roles at least 3 times in the twenty year period from 1988 to 2007. Two additional players were added to the set, even though they do not satisfy the first condition, but because they are among the top 25 highest paid players in MLB in 2007. A thorough investigation on Lexis-Nexis was undertaken to find as much information about the spending and investment patterns of these selected individuals as possible. Table 3 was generated with the results.

In summary it’s clear that the spending and investment patterns vary considerably from one player to the next. But of the 24 players investigated, for only three were we unable to find evidence of spending or investment in the Dominican Republic. Many of the players have substantial productive investments and/or charitable efforts in the country. From the data, however, one might hazard a guess that not more than 20 percent of earning of MLB players is reinvested in the Dominican Republic. Lower paid MLB players may invest more on a percentage basis, but much of the total earnings have gone to these select few. Still, many players are clearly making a real difference in their home towns.

The topic lends itself to future fieldwork with case studies to trace the real economic effects on the ground in poor communities in the Dominican Republic.
Table 3 Spending in the Dominican Republic by Key Individual Players

<table>
<thead>
<tr>
<th>Player</th>
<th>Cumulative Salary 1982-84 constant $</th>
<th>House</th>
<th>Additional Houses</th>
<th>Productive Investments</th>
<th>Charitable Foundations</th>
<th>Charity Efforts</th>
<th>Baseball Academies</th>
<th>Other Sport Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astacio, Pedro</td>
<td>$23,150,465</td>
<td>✓</td>
<td></td>
<td>ranch</td>
<td></td>
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<td></td>
<td>various (b)</td>
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<td></td>
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<tr>
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<td></td>
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<tr>
<td>Colon, Bartolo</td>
<td>$35,479,350</td>
<td>✓</td>
<td></td>
<td>Farm</td>
<td></td>
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</table>

These players appear in top 10% of Dominican players on MLB roles at least 3 times over the 20-year period from 1988-2007.

Those indicated with * also appear in the top 25 highest paid players in MLB at least once over the 20-year period.

Those indicated with *A appear in the top 25 highest paid players in MLB in 2007, but do not satisfy the first condition.
Notes

(a) The data in this table represents the information we were able to gather. It is not necessarily complete; a blank space indicates that no information was found on this type of investment for a certain player, not that the player has certainly not made such an investment.

(b) George Bell owns an office building, gas station, gym, mini-mart, and two farms in the Dominican Republic.

(c) Pedro Guerrero funds eleven youth baseball teams.

(d) Vladimir Guerrero owns construction supply stores, propane distributorships, livestock and vegetable farms, a seafood distributorship, a concrete block factory, two hardware stores, a supermarket, two butcher shops, and a wholesale produce business.

(e) Juan Guzman has contributed to the complex built by the Martinez brothers.

(f) Guzman funds baseball, softball, volleyball, and basketball little leagues.

(g) Pedro and Ramon Martinez are brothers and have collaborated on many joint projects. Where there is evidence that they both contributed on a project it is counted toward both brothers, otherwise it is attributed solely to Pedro.

(h) Pedro Martinez has built a church, school, and medical center in his hometown. He also raised money for the Dominican Republic after Hurricane Georges.

(i) Raúl Mondesi owns a disco and a fast food restaurant.

(j) Mondesi made a $100,000 donation after Hurricane Georges.

(k) The Pujols Family Foundation has founded an orphanage, and provided dental care among other charitable activities.

(l) Manny Ramirez donated and raised money after Hurricane Georges.

(m) Sammy Sosa built a shopping center and restaurant, and a beauty salon for his sister.

(n) Sosa helped raise over $1 million after Hurricane Georges. He supports schools and hospitals, and built a medical center for children.

(o) Sosa supports a baseball school, and several little league teams.

(p) David Ortiz hosts an annual charity softball game, and golf tournament in the Dominican. He donated $200,000 to start the first pediatric cardiovascular unit in the Dominican Republic. He also donated and raised money after Hurricane Georges.

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