# IN DIVISION I HOCKEY, DOES THE PUCK STOP JUNIOR YEAR?

By

Paul M. Sommers And Justin R. Gaines

March 2010

## MIDDLEBURY COLLEGE ECONOMICS DISCUSSION PAPER NO. 10-16



DEPARTMENT OF ECONOMICS MIDDLEBURY COLLEGE MIDDLEBURY, VERMONT 05753

http://www.middlebury.edu/~econ

## IN DIVISION I HOCKEY, DOES THE PUCK STOP JUNIOR YEAR?

by

Justin R. Gaines Paul M. Sommers

Department of Economics Middlebury College Middlebury, Vermont 05753 psommers@middlebury.edu

#### Abstract

The 2004-2005 National Hockey League (NHL) lockout has had a twofold effect on men's Division I college hockey programs. First, NHL entry-level contracts are now much less expensive than they were before the lockout. As a consequence, NHL teams are now more inclined to induce Division I hockey players to forego years of remaining eligibility. Second, the age of unrestricted free agency has dropped, encouraging rookies to begin their NHL career at a younger age. The authors show that there has been not only a surge in the number of Division I college players who have signed NHL contracts in the two years after 2004-2005 lockout than in the two years before the lockout, but since the lockout disproportionately more NHL bound college players have left college in their junior year.

Keywords: Division I ice hockey, lockout, college eligibility

### IN DIVISION I HOCKEY, DOES THE PUCK STOP JUNIOR YEAR?

The 2004-2005 National Hockey League (NHL) lockout (hereafter, simply the lockout) resulted in the cancellation of what would have been the 88<sup>th</sup> season of the NHL. The lockout not only forced cancellation of the Stanley Cup finals (the first time the finals were not contested since 1919), but it also caused a major professional sports league in North America to cancel a full season. The lockout began September 16, 2004, the day after the previous collective bargaining agreement (CBA) between the NHL and the NHL Players Association expired. A settlement was reached on July 13, 2005. Players and owners ratified the new CBA on July 22, 2005, 310 days after the lockout began.

The new six-year CBA imposed a salary cap that not only limited player salaries to 54 percent of the league's designated gross revenues, it also limited salaries of entry-level players to a maximum of \$850,000 for 2005-2006 (rising to a maximum of \$925,000 by 2011). By comparison, the maximum salary for rookies in 2002 was \$1,075,000 (or about \$317,000 more in inflation-adjusted dollars than the rookie maximum in 2005).<sup>1</sup> Moreover, entry-level bonuses which under the previous CBA could be as high as \$1 million were now capped at \$85,000.

Given the new (lower) parameters, did the NHL work harder to entice standout players to leave college and give up remaining eligibility to sign a pro contract? Anecdotal evidence suggests that NHL teams indeed did become more aggressive suitors of college players. For example, early in 2008, the NHL's New York Islanders were eager to sign the University of Minnesota's star sophomore forward, Kyle Okposo, a seventh round overall draft pick for the Islanders in 2006. Garth Snow, the General Manager for the Islanders, signed Okposo eighteen games into the 2007-2008 season. Snow explained why he signed the Minnesota college player in mid-season: Quite frankly, we weren't happy with the program there. They have a responsibility to coach, to make Kyle a better player, and they were not doing that. [Kyle Okposo] just wasn't getting better – bottom line. And, to me, that's the frustrating part. We entrusted the coach there to turn him into a better hockey player, and it wasn't happening. We feel more comfortable in him developing right under our watch.<sup>2</sup>

The bottom line was: NHL teams were more inclined to raid Division I hockey programs after the 2004-2005 lockout because NHL entry-level contracts were so much less expensive than they were before the lockout.

NHL-caliber players also had a stronger incentive to leave college early after the lockout. Most Division I-bound hockey players have already played one or more years of junior hockey after high school. By the time they enroll in college, they are about 21 years of age (or older), that is, older than most other entering freshmen. The sooner these NHL-caliber players leave college, the sooner they can complete their three-year entry-level NHL contract and negotiate a more (typically, *much* more) lucrative second contract without the capped salaries and bonuses that characterize their rookie contract. Additionally, under the new CBA, the age of unrestricted free agency dropped to 27 at the end of the 2007-2008 season. And, since players could qualify for unrestricted free agency after seven years in the NHL, the simple math encouraged rookies to begin their NHL career at age 20.

In this brief note, we examine all Division I college hockey players who signed contracts with the NHL two years before and two years after the 2004-2005 NHL lockout. On average, did college players give up significantly more years of remaining eligibility to sign a pro (NHL) contract after the lockout than before? Of the four largest conferences in Division I college hockey – the Western Collegiate Hockey Association (WCHA), the Central Collegiate Hockey Association (CCHA), Hockey East, and the Eastern College Athletic Conference (ECAC) – did any one conference lose (after the lockout) disproportionately more players with remaining college eligibility? And, finally, if college players were leaving earlier after the lockout than before, was the attrition from the college ranks greatest after the player's freshman, sophomore, or junior year?

## The Data

Eighty-three college players signed NHL contracts one or two years before the 2004-2005 lockout (35 upon the conclusion of their 2002-2003 college season, 48 upon the conclusion of the 2003-2004 college season). Of the 83 players, 28 (or about 34 percent) gave up remaining eligibility to sign an NHL contract. By comparison, 111 college players signed NHL contracts one or two years after the lockout (52 at the end of 2005-2006, 59 at the end of 2006-2007). Of the 111 players, 55 (or about 50 percent) gave up remaining eligibility to sign an NHL contract. All data on the 194 players, their college (and hence conference) affiliation, and whether or not they gave up remaining eligibility to sign a pro contract are from www.insidecollegehockey.com.<sup>3</sup> Among players who gave up eligibility, individual team rosters were checked to determine their class standing (namely, freshman, sophomore, or junior) before signing a professional contract. All but five of the 194 college players in this study skated for schools from four conferences: WCHA, CCHA, Hockey East, and ECAC.<sup>4,5</sup>

### The Results

The 83 (111) college players who signed a professional contract with the NHL two years before (after) the 2004-2005 lockout spent an average of 3.410 (3.198) years in college [the *p*-value on the difference between the two means for a one-tailed test, H<sub>0</sub>:  $\mu_{Before} = \mu_{After}$  vs. H<sub>A</sub>: $\mu_{Before} > \mu_{After}$ , was .061]. Division I college hockey players who ultimately signed with the NHL spent marginally less time in college after the lockout than did their counterparts before the lockout. The WCHA is regarded to be the strongest conference in Division I hockey, with WCHA teams winning six of the last nine Division I national championships (2000 through 2008). Not surprisingly, the largest number of college players who left early for the NHL came from the WCHA, before and after the lockout. Although the total number of college players leaving early increased after the lockout, the first cross-tabulation presented in Table 1 shows that the proportion of early departures from each of the four conferences (even the WCHA) was the same, before and after the lockout.

The calculated chi-square ( $\chi^2$ ) statistics on the data in the next two cross-tabulations in Table 1 show that before the lockout roughly the same proportion of Division I players who left early (that is, signed NHL contracts at the end of their freshman, sophomore, or junior year) was the same across the four major conferences. After the lockout, however, disproportionately *few* college players from the Hockey East conference left early.

For the entire sample of 194 players, the calculated  $\chi^2$  statistic on the cross-tabulation presented in Table 2 shows that disproportionately many juniors in the two seasons since the lockout opted to give up a year of eligibility and sign with the NHL.

#### **Concluding Remarks**

Thirty-four percent more Division I college hockey players signed NHL contracts in the two years after the 2004-2005 lockout than did in the two years before the lockout, despite the fact that the NHL entry draft was reduced from nine rounds to seven.

Although most college-drafted NHL bound players come from the Western Collegiate Hockey Association, the proportion of players leaving early from each of the four major conferences was roughly the same two seasons before the lockout. After the lockout, however, more players left early from each conference, but disproportionately fewer left the Hockey East conference. Finally, Division I college players are spending less time at their respective schools after the lockout than before, with significantly more players now leaving their program in their junior year.

	Conference						
	WCHA	ССНА	Hockey East	ECAC			
Left Early							
Before Lockout	12	7	4	5			
After Lockout	27	16	6	6			
			$\chi^2 = 1$	$\chi^2 = 1.117, \ p = .773$			
Before Lockout							
Left Early	12	7	4	5			
Did Not Leave Early	15	15	14	10			
			$\chi^2 = 2$	2.469, <i>p</i> = .481			
After Lockout							
Left Early	27	16	6	6			
Did Not Leave Early	16	13	13	10			
			$\chi^2 = 6$	5.624, p = .08			

# Table 1. College Players Leaving Early, by Conference,Before and After the 2004-2005 Lockout

Table 2.	College Players Leaving Early, by Class Standing,
	Before and After the 2004-2005 Lockout

	Last Completed Season Before Signing with the NHL					
	Freshman	Sophomore	Junior	Senior		
Before Lockout	6	9	13	55		
After Lockout	6	20	31	54		
			$\chi^2 = 7.664, \ p = .053$			

#### Footnotes

- The minimum salary increased from \$185,000 under the previous CBA to \$450,000 in 2005-2006 (and rises to \$500,000 by 2010). For more on the 2004-2005 lockout, see Staudohar [1].
- 2. See <u>www.collegehockeynews.com/news/2007/12/21\_islesgm.php</u>.
- 3. The Web addresses listing Division I signees for 2002-03, 2003-04, 2005-06, and 2006-07 are, respectively,
  www.insidecollegehockey.com/7Archives/Notebooks/pro\_signees.htm ,
  www.insidecollegehockey.com/7Archives/News/prosignees\_0231.htm ,
  www.insidecollegehockey.com/7Archives/News/0506/prosignees\_0428.htm ,
  and www.insidecollegehockey.com/7Archives/News/0607/prosignees\_0526.htm .
- 4. The WCHA includes the following schools: Alaska-Anchorage, Bemidji State, Colorado College, Denver, Michigan Tech, Minnesota, Minnesota-Duluth, Minnesota State-Mankato, North Dakota, St. Cloud State, and Wisconsin. The CCHA includes: Alaska-Fairbanks, Bowling Green, Ferris State, Lake Superior, Miami (Ohio), Michigan, Michigan State, Nebraska-Omaha, Northern Michigan, Notre Dame, Ohio State, and Western Michigan. Hockey East includes: Boston College, Boston University, Maine, Massachusetts, Massachusetts-Lowell, Merrimack, New Hampshire, Northeastern, Providence, and Vermont. The ECAC includes: Brown, Clarkson, Colgate, Cornell, Dartmouth, Harvard, Princeton, Quinnipiac, RPI-Renssalaer, St. Lawrence, Union, and Yale.

5. The five exceptions were from Niagara (College Hockey America conference),
Holy Cross and RIT (Atlantic Hockey) in 2006-2007; Mercyhurst (Atlantic Hockey)
in 2005-2006; and Sacred Heart (Atlantic Hockey) in 2002-2003.

## Reference

 P. Staudohar. "The Hockey Lockout of 2004-2005," *Monthly Labor Review*, December 2005, v. 128, pp. 23-29.