

OPEN LETTER TO OUR MEMBERSHIP FROM U.S. SOCCER PRESIDENT CARLOS CORDEIRO - JULY 29, 2019

Dear Friends, Colleagues and Supporters of U.S. Soccer,

Like you, all of us at U.S. Soccer continue to celebrate our extraordinary U.S. Women's National Team—the 2019 Women's World Cup champions! The 23 players of our USWNT—earning their second consecutive title and an unprecedented fourth star—are an inspiration to us all and truly some of the greatest athletes that our nation has ever produced.

As you know, the women's victory on the field also came several months after the team filed a lawsuit concerning the pay they receive from the Federation. When the lawsuit was filed, we made a deliberate decision—instead of debating the facts in the media in the lead-up to the World Cup, we would focus on providing the team with everything they needed to win in France. Indeed, we spared no expense in our support of the team—support they deserve—including chartered flights, world-class training facilities, a tireless coaching and support staff and unprecedented promotion and marketing.

I wrote in my open letter in March after the lawsuit was filed that U.S. Soccer believes that all female athletes deserve fair and equitable pay, and we strive to meet this core value at all times. Moreover, it should be a basic principle everywhere in our country—equal work deserves equal pay. In the case of our men's and women's national teams, they have different pay structures, not because of gender, but because each team chose to negotiate a different compensation package with U.S. Soccer. Separately, FIFA competitions for men and women include a different number of games each year, at different times, in different locations, against different opponents with different FIFA rankings and different tournaments with different qualifying criteria and different prize money. Yet even with these many differences, U.S. Soccer strives to ensure that all our national team players, women and men, are paid fairly and equitably.

The team's lawsuit has also contributed to an important and necessary national discussion about equality. This is a conversation that U.S. Soccer welcomes. Even as we're proud of our record as a champion for women's soccer, we always strive to do even better. If we find areas where we can improve, we'll work to do so in close partnership with our Women's National Team.

During this national conversation, the many differences between our women's and men's pay structures and competitions have made direct comparisons between their pay extremely difficult. As a result, there's been confusion about what our women's and men's players are actually paid by U.S. Soccer.

Just as our WNT players have shared their perspective, I strongly believe that you—as U.S. Soccer members, stakeholders, sponsors and partners—deserve to hear ours. Now that the Women's World Cup is behind us, a common understanding of key facts will also help advance our shared work to grow women's soccer in America as well as the larger national discussion about equality.

At my request, U.S. Soccer staff conducted an extensive analysis of the past 10 years of U.S. Soccer's financials. Based on this analysis, we've produced the following fact sheet, which has been reviewed by an independent accounting firm. We are, of course, sharing this letter and fact sheet with players on our Women's National Team. In the same spirit of partnership and transparency, I also want to share this information with you.

As you'll see—separate and apart from any prize money awarded by FIFA—U.S. Soccer has, over the past decade, paid our Women's National Team more than our Men's National Team in salaries and game bonuses, and we continue to make unprecedented investments in our women's program.

Still, like any organization, U.S. Soccer recognizes that we can continue to improve, in partnership with our women's players. In the weeks ahead, we'll focus on preparing for mediation and resolving this matter in the best interests of the WNT and U.S. Soccer. I want you to know that U.S. Soccer is committed to doing right by our players, and I've been encouraged by the public comments from players expressing their desire for a cooperative approach. I remain optimistic that we can find common ground.

Together, I believe we can get this done.

More broadly, we look forward to working with the team to bring soccer to more people in more places than ever before. After all, our Federation is a 501(c)(3) non-profit with the mission of making soccer the preeminent sport in the United States by developing players, coaches and referees at all levels, including youth. As such, we have a responsibility to use our resources wisely to serve all our members and to plan prudently for the future with long-term investments that help grow soccer for many years to come.

Ultimately, the best way to close any gaps between the women's and men's game is to do everything we can—as a federation and as fans—to grow women's soccer, here in the United States and globally. We can cheer for our WNT during their <u>Victory Tour</u>, which starts August 3 in Pasadena, California. We can attend a <u>NWSL match</u> or <u>watch</u> one at home. Here in the U.S. and around the world, the more tickets to women's matches we buy and the more games we watch on TV, the more revenue we can generate for the women's game, including FIFA prize money. That, we believe, is the best and most sustainable path to true and lasting equality.

We look forward to the day when Americans choose to spend their time and money equally between women's and men's soccer. At U.S. Soccer—in partnership with you—we'll never stop doing our part to make that vision a reality.

Sincerely,

Carlos





U.S. WOMEN'S NATIONAL TEAM COMPENSATION & U.S. SOCCER INVESTMENTS IN WOMEN'S SOCCER

This fact sheet is based on U.S. Soccer staff's extensive analysis of the past 10 years of U.S. Soccer's financials, which include Form 990 filings with the IRS, as well as financial statements that have been audited yearly by an independent accounting firm. This analysis also included the women's and men's respective collective bargaining agreements (CBAs) and salary information, based on actual player W-2 filings and player payroll, which are routinely reviewed by the Players' Associations. This fact sheet is the result of that analysis; this fact sheet, in turn, has been reviewed by an independent accounting firm.

COMPENSATION

Over the past decade, U.S. Soccer has paid our Women's National Team more than our Men's National Team. From 2010 through 2018, U.S. Soccer paid our women \$34.1 million in salaries and game bonuses and we paid our men \$26.4 million—not counting the significant additional value of various benefits that our women's players receive but which our men do not. There are several reasons for this:

- Different pay structures—Our men and women national team players do indeed have different pay structures, but this has nothing to do with gender.Rather, each of the teams have negotiated for different compensation models under their respective collective bargaining agreements. For example...
- Guaranteed salary for women—Under their CBA, the women have chosen to have a guaranteed salary; U.S. Soccer therefore pays each WNT contracted player a base salary of \$100,000 per year. (In contrast, the men's national team players have no guaranteed salary and are only paid for the training camps they attend and the games they play, plus game bonuses.) In addition, U.S. Soccer also pays WNT contracted players a \$67,500-\$72,500 salary for playing in the National Women's Soccer League. (In contrast, we do not pay salaries for men who play in Major League Soccer or any other men's professional league). In other words, U.S. Soccer guarantees WNT contracted players who also play in the NWSL a base salary of \$167,500-\$172,500 per year, atop which they can earn game and tournament bonuses. Again, although players on our Men's National Team can earn larger bonuses, they are guaranteed nothing; they have a different contract structure.

- Guaranteed benefits for women-Above and beyond the guaranteed salaries mentioned above, U.S. Soccer provides our women players with a robust package of benefits that are not provided to the men. These benefits include fully-paid health, dental and vision insurance; severance; a 401(k) retirement plan; paid maternity leave; guaranteed injury protection; and assistance with childcare. Again, under their contract, our men's players receive none of these benefits.
- Hypothetical per game comparison—The widely-reported claim that our women players currently earn only 38 cents for every dollar earned by our men is false. This claim is based on out-of-date numbers that do not reflect what our women's players actually earn today. In particular, it overlooks the guaranteed salaries described above. The claim is also based on a hypothetical scenario—our men and women each playing 20 friendly matches in a year, which has never happened, and receiving the average bonus amount per game. That said, if the men and women ever did play in and win 20 friendlies in a year and were paid the average bonus amount, a women's player would earn more from U.S. Soccer than the men's player—the women's player would earn at least \$307,500 (WNT and NWSL salaries, plus game bonuses) and the men's player would earn \$263,333 (game bonuses only).
- FIFA prize money—Separate and apart from any funds controlled by U.S. Soccer, one of the biggest issues that women's soccer faces is the difference in FIFA prize money with men's soccer. The men's and women's World Cups generate vastly different revenue for FIFA, resulting in different prize money—prize money determined solely by FIFA. Indeed, when World Cup payments from FIFA are included, our U.S. Men's National Team players were paid \$41.0 million from 2010 through 2018 and our U.S. Women's National Team players were paid \$39.7 million.
- U.S. Soccer supports narrowing the gap with an increase in FIFA prize money for women—Most recently, last year's FIFA Men's World Cup awarded \$38 million to the winning federation, and this year's FIFA Women's World Cup is awarding \$4 million to the winning federation.U.S. Soccer has and will continue to encourage FIFA to narrow this gap with an increase in the prize money that it awards to its Women's World Cup champions as well as the total prize money it offers all women's teams that compete.

INVESTMENTS IN WOMEN'S SOCCER

Over several decades, U.S. Soccer has invested many millions of dollars in women's soccer-likely more than any other country-and we will continue to do so.

Support for the National Women's Soccer League—Over the years, U.S. Soccer has invested approximately \$18 million in the NWSL, including the player salaries described above; assistance with marketing, broadcast and sponsorship agreements; and efforts to expand the league. This supports the growth and success of the league, which is now the longest-running professional women's soccer league in American history. U.S. Soccer has no financial stake in any NWSL club or the league itself, but we make these investments because we believe that a strong and sustainable league is vital to the long-term growth of women's soccer in America.

- Revenue from broadcast and sponsorships—Collectively, our women's and men's national teams help generate revenue for U.S. Soccer from corporate sponsorships and broadcast rights. Traditionally, however, these revenues have not been attributed directly to either the women's or men's team alone. These revenues from our sponsors are critical to supporting all aspects of U.S. Soccer's mission to develop players, coaches and referees at all levels across our Federation, including support for our many women's and men's youth national teams, our Paralympians and scholarships for players from underserved communities.
- Support for Women's National Team Games— One metric that can be measured directly is the revenue that our women's and men's teams generate, on average, game by game. From 2009 through 2019—a timeframe that includes two Women's World Cup championships—the Women's National Team has earned gross revenue of \$101.3 million over 238 games, for an average of \$425,446 per game, and the Men's National Team has earned gross revenue of \$185.7 million over 191 games, for an average of \$972,147 per game. More specifically, WNT games have generated a net profit (ticket revenues minus event expenses) in only two years (2016 and 2017). Across the entire 11-year period, WNT games generated a net loss of \$27.5 million. Nevertheless, U.S. Soccer does not view these as losses, but rather as an important investment in our Women's National Team and in the long-term growth of women's soccer.
- Increased investments in women's youth development—In recent years, U.S. Soccer has significantly increased our investments in developing the next generation of women's players, including the creation of our Girl's Development Academy in 2016. In Fiscal Year 2019, we invested \$14.4 million in men's youth national teams and development programs and \$13.4 million in women's youth national teams and development programs, and we'll continue working toward greater parity in the years ahead. In addition, we hope to host the 2027 Women's World Cup here in the United States, which would be another tremendous boost to women's soccer in our country.