

# The Posey and Cain Contracts

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This is the second year in a row the San Francisco Giants have ended spring training by signing a major star to an enormous contract extension. Their star catcher, and reigning NL MVP, Buster Posey, is now signed through 2021, with an option for 2022, at a total cost of about \$167 million. Last year, the Giants signed star pitcher Matt Cain to a similar long term contract which will keep Cain on the Giants through 2018, if the team exercises its option for that year, at a total cost of around \$136 million.

These two contracts combined will cost the Giants more than \$300 million between roughly 2012 and 2022. In many of those years, the Giants will be paying more than a combined \$40 million for Cain and Posey, who are among the very best players in the game today. Posey's first three seasons have been excellent and have included an MVP, a Rookie of the Year Award, a Comeback Player of the Year award and .313/.379/.501 batting line. The only blemish in his record is that he missed much of 2011 to an injury, albeit one from which he appears to have fully recovered. Cain is one of the game's best and most durable pitchers, who has pitched 200 or more innings in each of the last two years with an ERA+ of 126. He is also emerging as one of the best post-season pitchers of his generation.

One of the most notable things about both of these contracts is that the Giants are not obligated to pay anything for either of these players after the age of 35. They have an option for Cain when he is 33 and a \$3 million buyout for Posey when he is 35, but nothing more than that. By contrast, the Tigers' contract extension with Justin Verlander, which was one of the other major end of spring training extensions, obliges them to pay \$56 million to Verlander in his age 35 and 36 seasons. The Yankees will be paying, or have already begun to pay, a total of \$245 million for three players, Alex Rodriguez, CC Sabathia and Mark Teixeira, after their 35th birthday.

There are obviously no guarantees with long term contracts. Players get hurt, mysteriously lose key skills, or simply get old. This could happen to Cain or Posey at any point. Baseball history has shown us that even the most dependable stars are consistent until they are not. Nonetheless, with both Cain and Posey, the Giants appear to have successfully threaded the needle of securing these players' prime years while not being responsible for the decline phase of their careers. The Giants have also successfully used offers of security to reduce the cost to the team. Only a year after the Cain signing, that contract already looks relatively team friendly. Cain would undoubtedly have received more on the open market as a free agent this off-season, particularly given how well he pitched in 2012.

There are always risks associated with signing pitchers to long term contract, even those pitchers who, like Cain, have been healthy and consistent and are still young. The Giants are clearly taking on some of that risk. However, if Cain remains healthy and stays close to the level of

performance he has established over the last four years, he may well seem like a bargain in his late 20s and early 30s. Two hundred innings of an ERA+ of 120 or better for \$20 million will not be a lot compared to what older pitchers like Verlander, Zack Greinke and others will be making in 2015 and 2016.

In some respects, the Posey contract is a bigger risk as catchers can age faster than other players. Johnny Bench was done as a catcher by age 32. Yogi Berra's last year catching 120 or more games was when he was 32 as well. There are exceptions to this as well. Ivan Rodriguez was a more or less full time catcher well into his mid-30s, but stopped hitting when he was 32. Carlton Fisk famously played until he was 45 and was a full time catcher when he was 39. Posey does not have to have Carlton Fisk's durability for this to be a good contract. If Posey can catch 120-130 games a year and hit well enough to be a middle of the order hitter at 1b or DH the remaining games until he is 34, the contract will be worth it. Based on the first three years of his career, this seems like an achievable goal.

In keeping Posey and Cain the Giants are taking a risk, but losing one or both of these potential Hall of Famers just as they may be reaching their best years would also hurt the team. The Giants have won two of the last three World Series after a period of 54 years in which they won exactly six World Series games, and no championships. They have brought a level of excitement about baseball to San Francisco that has never been seen before and are on the cusp of becoming a national, and even international brand, like the Yankees or Red Sox only cooler. Losing Cain would have jeopardized that. Posey, for his part, is one of the very best players on the planet and the face of the franchise. Keeping him is a good baseball move and sends a message to baseball and to Giants fans that the Giants are committed to continuing to field championship calibre teams.