Here’s how to change the NHL salary cap for the better

By Sheldon H. Jacobson

The 2023-24 NHL hockey season is now underway. With every new season comes the question of how the salary cap will be adjusted for the upcoming season. The salary cap is crucial in ensuring the financial health of the league and its teams. It sets a maximum amount of money that a team can spend on player salaries each year, allowing for a balanced and competitive environment.

However, the current salary cap model faces several challenges. One major issue is the disparity in revenues among teams. Teams in larger markets with higher ticket sales and TV ratings can generate more revenue than teams in smaller markets. This disparity can create an uneven playing field, as teams with higher revenues have more financial flexibility to pay top players.

Another problem is the lack of a system to adjust the salary cap based on a team’s past performance. Currently, the salary cap is set based on a percentage of the league’s revenue, which means teams with higher revenues are not penalized for overspending. This can lead to financial imbalances within the league.

To address these issues, there are several proposals that could be considered. One approach is to link the salary cap to the average salary of players in similar markets. This would help reduce the disparity in revenues and ensure that teams in smaller markets have a better chance to compete.

Another suggestion is to introduce a revenue sharing system similar to the one used in the NFL. This would help distribute the revenue more evenly among teams and reduce the financial burden on smaller markets.

In conclusion, changing the NHL salary cap requires careful consideration of the current challenges and benefits of the current system. By incorporating elements such as market-based linkages and revenue sharing, the league can create a more balanced and sustainable model for the future.