* An Economic Evaluation of the Moneyball Hypothesis
  + Suggests that Lewis’s arguments were correct in that OBP was undervalued before *Moneyball* was published
  + Shows that the market started to account for OBP after publishing
* The Sports Business as a Labor Market
  + As expected, when owner’s bargaining power becomes more like to a monopsony then player’s real and nominal salaries fall (77)
  + Getting rid of reserve clause caused players to be paid a higher percentage of their marginal revenue (82).
  + Under Coase Theorem, with perfect information, free agency will not affect player allocation (87)
  + “Of course, if teams are unable to judge talent, then changing the rules will not have any effect on competitive balance.”(88)
* Pay and Performance in Major League Baseball
  + “If the labor market in organized baseball were perfectly competitive, player salaries would be equated with player marginal revenue products (MRP)” (916).
  + Model assumes that fans derive utility from watching their team win, whether in-person or through TV/Radio (917)
  + Marginal Revenue equations (917)
  + “Team Win-Loss percent is hypothesized to be related to slugging percentage [TSA] and strikeout-to-walk ratio [TSW]” (918)
  + \*At time of publishing\* NL was considered better than AL and was included as dummy variable in WinPercent regression (919)
  + Extra variables: Used to capture intangibles affecting performance
    - CONT – Teams that were contending for or gained playoff birth
    - OUT – Teams that were more than 20 games from making playoffs
  + Team Revenue is estimated as a linear equation using WinPercent and market characteristics as principal determinants
  + \*Might be able to make a crude estimate of revenue
* Testing Causality Between Team Performance and Payroll; The Case of Major League Baseball and English Soccer
  + Players may want to go to a higher payroll team for endorsements outside of baseball rather than just the pay. This can explain why players would accept salaries below their product of marginal revenue
  + Spending more than competitors does not necessarily translate into more wins. Thus, stressing the importance of spending wisely over just spending
  + Rookies are underpaid because they have no negotiation in contracts
  + Free agents cannot move around to teams that will find them most useful because they have no-trade clauses in their contracts
  + Salaries for players in long contracts may not accurately reflect a player’s current performance. (However, we must assume that since teams are rational agents, they factored this decline in performance into their calculations before offering the player that contract)
  + Baseball’s “Blue Ribbon Panel” concludes that baseball changed drastically after 1994
  + Concludes that there is a shift in the mid 1990’s that spending does seem to have an impact on teams’ winning
* openWAR: An open source system for evaluating overall player performance in major league baseball
  + Lack of reproducibility for most current measures of players because of lack of code and data from companies
  + Means that these measures are essentially black boxes containing “ad hoc adjustments”
  + Any outcome has a positive and negative outcome depending on if it helps the offense or defense win the game
  + What qualifies for a replacement player is arbitrary and most likely used because they represent round numbers (76)
  + System gives weight to grand slams versus solo home runs, and say wOBA’s methodology of counting all home runs as equal is flawed. \*Disagree with this because players don’t choose when they will hit a home run
  + \*ZIP file for replicability was provided and is in folder
* Productive Efficiency and Salary Distribution: The Case of US Major League Baseball
  + Previous research suggests that a larger salary distribution can lead to a team winning few games. This is inferred from industry research that found firms with lower salary distribution were more productive
    - I don’t think that the research in industry can be applied to sports teams. Often times these large salaries are given to players who don’t necessarily deserve them. Thus, the team is not as good and doesn’t win as often yet has these high salary distributions.
    - It is also possible that teams with low salary distributions either win a lot or lose a lot because the teams are either like the Dodgers or the Marlins.
* Free Agency, Long-Term Contracts and Compensation in Major League Baseball: Estimates from Panel Data
  + Owners and players are more likely to agree to longer contracts when free agency looms because it acts as insurance for both of them
  + Uses Neoclassical Marginal Revenue Product (MRP) to Marginal Cost model
  + Assumes MRP is equal across teams
  + Players will be willing to accept slightly lower wages in exchange for longer contracts because this would work as a form of insurance
  + Uses model comparing 3 stages of players bargaining: free agency, arbitration, and last year of arbitration
    - Uses dummy variables for this which would allow for every status of a player to be considered.
  + Model also uses a fixed effects to control for correlation between unmeasured productivity effects and “variables of interest”
  + Uses many statistics in model for measuring performance that are not good indicators of a player’s value
  + Finds the reserve clause does hurt player’s salaries
  + Also finds that “buying insurance” by offering players longer contracts right before free agency is seen and is consistent with Nash bargaining(?)
* Market Efficiency and Rationality: The Peculiar Case of Baseball
  + Many of the errors in management that Moneyball highlights are from
    - Availability bias
    - Representative Bias
    - And that people over-generalized their experiences onto prospects
  + Part of the reason that no statisticians came Beane in baseball, is that owners relied on rules of thumb that were the status quo (were good enough)
  + Additionally, without computers much of Beane’s work would have been tedious and prone to error. Thus, the use of computers was essential to Beane’s success
  + Bad statistics, or statistics that do not reflect a player’s actual ability, were used a lot. And since everyone was using them, it made it very hard if not impossible for owners to find good players consistently
  + Players (and possibly coaches) may not respond to the changes that Beane brings in because in performing in ways that are undervalued in the market at the expense of overvalued skills, they are hurting their stock on the free market. This can undermine the team’s success
    - Dilemma of maximized value to current CEO or outside market
  + Baseball owners have evolved a “bad equilibrium” up to the point of Beane
* What Explains Labor’s Declining Share of Revenue in Major League Baseball
  + Salaries of MLB players from 1990’s to 2015ish show similar trend to regular laborers
    - They both follow the same trend when comparing percent of share of revenue labor takes up
  + Four possible explanations for players earning less percent of revenues
    - Their Marginal Revenue Product of Labor (MRPL) may have decreased over this period
    - Shifts in the Player’s Union could have lead to it having less bargaining power
    - Offshoring labor practices by importing star players from Latin America and Asia
    - Technological innovation – changes in consumer preference outside of the quality of play like stadiums and ways media is consumed
  + \*Footnote 7 has links to team payroll information
  + Equation for team performance = run\_diff + run\_diff^2 + lag(run\_diff)
    - Previous research supports this equation to determining TEAM success
    - Captures non-linearities in team success with changes in run differentials
  + Uses a random effects model instead of fixed effects model
    - Should ask dad to remind me what the difference is because I think my fixed effects is better
  + Strike shortened 1994 to 1995 season, so should account for that in my analysis as he did
  + Finds that MRPL does decline over the time period which could be the reason why players revenue share decreased over the same time period
  + Importation of foreign players appears to have a weak effect on player’s general salary changes if any effect at all
  + Platooning players (righty vs. lefty) decreases MRPL for individual players but increases total MRPL for the pair of players
    - However, this does not appear to affect player’s revenue
  + Non-player inputs do show that there has been an increase in revenue from them and that monopsony power has increased because of it, suggesting that drop in player revenues could be due to them being seen as less valuable to the baseball business
* Quantifying Market Inefficiencies in the Baseball Players’ Market
  + Argue in the abstract that the market has already corrected from the Moneyball exploitations in 2006
  + Uses a model of eye, bat, and power to determine if the market corrected from the Moneyball hypothesis
  + Uses the same crummy models to re-evaluate Moneyball hypothesis
* Team payroll, pitcher and hitter payrolls and team performance
  + Labor may follow the backwards bending labor supply curve when players are paid huge salaries
    - Gone over in IO
  + Find that there is very little explanation of winning based on amount spend by owner
    - Evidence that they have a flawed system of evaluation
* Revenue Sharing and Player Salaries in Major League Baseball
  + Not much to use in this but article but does link to Doug’s dataset
* All Runs Created Equal
  + Uses almost same methodology as me but does not include baserunning, fielding, pitching, or non-hits in regression
  + They restrict their analysis to only players with 130 AB’s
  + Use F-statistic to show that there is significant evidence that players are paid fairly (somehow?) by showing that the F-statistic makes their model bust and therefore, players are not paid different amounts for their different amount of runs
    - Could be useful to consider a similar methodology as a “second check” to the MRPL=MC
* WHAT'S WRONG WITH SCULLY-ESTIMATES OF A PLAYER'S MARGINAL REVENUE PRODUCT
  + Scully(1989), Zimbalist(1992), and Krautmann(1997) all come to different conclusions as to the extent of players being paid the MRPL. This comes from Scully’s measuring technique of MRPL
  + Current Equation:
  + My equation should be
    - Where PERF is the performance measures (X1B, HR, BB, etc.)
  + Paper is very thorough with the theory behind the models of Scully and others. Should use this as reference when writing my own paper.
    - Could possibly use equation on 372 about labor elasticity
  + Turnstile revenue is likely due to team performance while all non-turnstile revenue, such as broadcasting, is due to super-stars and other factors that would make the team appeal to a more national audience
* The Baseball Players’ Labor Market Reconsidered
  + “the baseball players' labor market during the free agency era has evolved into a twisting bilateral monopoly, in which each segment is governed by different combinations of monopsonistic and monopolistic forces” (pg 353).
  + Finds that this twisting bilateral monopoly shows evidence that non-free agency and arbitration players are underpaid while free agent players are overpaid
* The Baseball Players’ Labor Market (1956)
  + Talks about how attendance is a major defining revenue stream of baseball teams
* Are Baseball Players Paid Their Marginal Revenue Product?
  + Uses Winning Percentage as the gauge of how good a player is
  + If baseball players are paid their marginal revenue products, then a regression of individual salaries on estimated MRPs should 'accept' (fail to reject) the joint hypothesis that the intercept equals zero and the slope equals one.
  + Finds that players are paid their MRP
* Riddle (1980), Lacroix (1986), and Card (1990)
  + Shows that strikes for labor leads to better real wages for labor