\*Subject to change

**ABSTRACT**

The project involves analyzing data about basketball players from the NBA League in the 2015-2016 season. The motivating question of the analysis is: “In the 2015-2016 season, how do the skills of a player relate to his salary?” We argue that regardless of their positions, most players earn a salary which is directly correlated with their skill levels. We observe players’ skill levels by calculating each player’s EFF index using his basic individual statistics during the season: points, rebounds, assists, steals, clocks, turnovers, and shot attempts. Principal Components Analysis (PCA) is used to assign weight for each term in the original EFF formula. For the earned salaries during the season, we reference the released data from Basketball Reference’s Salary reports for individual players. (From analysis of EFF index and salary of individual players, we indeed find that skill levels and salary have a direct positive relationship among the players in the NBA League.)

**INTRODUCTION**

In any sports league, performance of a player during the season determines his monetary value in the League and eventually determines his salary. In this sense, it is important to understand how closely a player’s performance is related to his salary. Analyzing this relationship provides an understanding of how fairly and reasonably have the NBA teams have paid their players during the 2015-2016 season.

To measure each player’s performance during the season, we adopt in this paper, the EFF or efficiency statistics, an index that is widely used to measure the performance of NBA players. EFF is derived by a simple formula:

EFF = (total points + total rebounds + assists + steals + blocks – missed field goals – missed free throws – turnovers) / (games played).

However, one of the issues with the EFF index is that it favors offense oriented players over defense oriented players, as defense players have less chance to score a goal, or catch a rebound compared to the offensive players. To compensate for this drawback, we use a modified EFF that consider the player’s positions. We utilize Principal Components Analysis (PCA) giving weight for each term in the original EFF formula. The modified efficiency, EFF\*, is computed as:

EFF\* =(w1/s1)\*x1 + … + (w8/s8)\*x8

We predict that this modified efficiency, EFF\* have direct positive relationship with the salary that a player receives during the season. The remainder of the paper is organized as follows. In Section I we briefly discuss the data table, its structure, and each variable’s significance. In Section II we describe how we obtained and cleaned our data to fit our purpose of study and illustrates how we computed the modified EFF\*. Section III investigates the relationship between performance and salary from the perspective of the computed EFF\*. Section IV concludes.

1. **DATA**

From the raw data files, we have created a one csv file, “roster-salary-stats.csv”, containing all variables from Roster, Totals, and Salary, with only one column for the name of the player (the methodology of data acquisition and cleaning will be discussed in the section that follows). In the csv file, the table contain the following variables:

Player, Team, Number, Position, Height, Weight, Birth Date, Country, Experience, College, Rank Totals (within the team), Age, Games, Games Started, Minutes Played, Field Goals, Field Goal Attempts, Field Goal Percentage, 3-Point Field Goals, 3 Point Field Goal Attempts, 3 Point Field Goal Percentage, 2 Point Field Goals, 2 Point Field Goal Attempts, 2 Point Field Goal Percentage, Effective Field Goal Percentage, Free Throws, Free Throw Attempts, Free Throw Percentage, Offensive Rebounds, Defensive Rebounds, Total Rebounds, Assists, Steals, Blocks, Turnovers, Personal Fouls, Points, Points, Rank Salary (within the team), and Salary.

#IDK we need to list these out.

The data table combines three distinct data tables-roster, totals, and salary- and is sorted by the player names. As the purpose of our study is to investigate the relationship between performance and salary, the variables that derive performance index and salary are critical. Among the variables acquired from totals table, the critical variables to compute EFF index (the performance index) are Total Points, Total Rebounds, Assists, Steals, Blocks, Field Goals, Field Goal Attempts, Free Throws, Free Throw Attempts, Games (total # of games). Also, the players’ positions, obtained from the roster table, are also critical in that we later subset the player statistics dataset by positions to calculate separate EFF indices for each position. Needless to say, salary is the most important variable in our study.

1. **METHODOLOGY**

“Data Acquisition”:

#@ Brandon, I don’t know much about scraping

“Data Cleaning”: #@Tram, add/edit anything if you want

After acquiring the data from Basketball References, we have cleaned three distinct data tables according to the following schema: ~~~# IDK if we need to list the schemas out or not.

We then merged the three distinct data tables- roster, totals, salary- of each team and sorted them by the player names, using “merge()”. We repeated this process for all teams and combined all teams’ data using “rbind()”.

There were some players who appeared in multiple teams’ tables. For these players, we have used “duplicated()” function to only acquire the data from one team.

“Data Analysis”:

From the cleaned, “roster-salary-stats.csv” file, first subset the data according to the player’s position. Then add extra columns, Missed Free Throws (=Free Throws-Free Throws Attempts), Missed Field Goals (=Field Goals – Field Goal Attempts) and change the number of turnovers into a negative value to match our EFF formula:

EFF = (total points + total rebounds + assists + steals + blocks – missed field goals – missed free throws – turnovers) / (games played).

From the subset of data table, select variables that are needed to compute EFF. Eliminate the compounding variable, “number of games played” by dividing each variable by the “number of games played”.

Using “prcomp()”, compute PCA1 for each subset. Divide these weights with standard deviation of each variable, re-expressing the weights. Multiply these adjusted weights with each variable (now divided by the number of games). Sum these together to obtain EFF\*.

1. **RESULTS**

# not sure yet….

1. **CONCLUSIONS**

# also not sure