

older front-office employees still weigh traditional statistics heavier than they do sabermetrics statistics.

$$\ln(\text{Salary}) = \beta_0 + \beta_1 \cdot \text{WAR} + \beta_2 \cdot \text{NonWhite} + \beta_3 \cdot \text{ServiceTime} + \sum_i \beta_{i+3} \cdot \text{Trad}_i + \text{Team F.E.}$$

The sixth model explores the team fixed effects that are present in these regressions and then also controls for sabermetric statistics rather than traditional statistics. As you can see, when controlling for this the R^2 value increases to 0.6005 and the effect of race increases to -15.8%, implying that when comparing teammates there is an increased discrimination against players of color.

$$\ln(\text{Salary}) = \beta_0 + \beta_1 \cdot \text{WAR} + \beta_2 \cdot \text{NonWhite} + \beta_3 \cdot \text{ServiceTime} + \sum_i \beta_{i+3} \cdot \text{Sabr}_i + \text{Team F.E.}$$

The seventh model is similar to the sixth, however, it includes controlling for traditional stats as well. This only slightly increases the R^2 to 0.6103 and increases the effect race has on salary to -16.9% if the player is non-white.

$$\ln(\text{Salary}) = \beta_0 + \beta_1 \cdot \text{WAR} + \beta_2 \cdot \text{NonWhite} + \beta_3 \cdot \text{ServiceTime} + \sum_i \beta_{i+3} \cdot \text{Trad}_i + \sum_j \beta_{j+3} \cdot \text{Sabr}_j + \text{Team F.E.}$$

Table 3. Effect of NonWhite on $\ln(\text{Salary})$ - Hitters

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	$\ln(\text{salary})$	$\ln(\text{salary})$	$\ln(\text{salary})$	$\ln(\text{salary})$	$\ln(\text{salary})$	$\ln(\text{salary})$	$\ln(\text{salary})$
war	0.0711*** (5.19)	0.0688*** (5.96)	0.0399* (2.41)	0.0366* (2.39)	0.0389 (1.92)	0.0438** (2.85)	0.0358 (1.72)
age	0.141*** (15.22)						
nonwhite	-0.00272 (-0.05)	-0.188*** (-3.81)	-0.176*** (-3.43)	-0.176*** (-3.43)	-0.150** (-2.77)	-0.158** (-2.95)	-0.169*** (-3.11)
year	0.0220 (1.84)	0.0322** (2.10)		0.00557 (0.45)			
servicetime		0.180*** (22.56)	0.175*** (21.46)	0.175*** (21.38)	0.173*** (19.24)	0.176*** (20.46)	0.174*** (19.28)
Constant	-32.99 (-1.36)	-50.43* (-2.41)	10.36*** (6.21)	-0.836 (-0.63)	14.13*** (29.53)	9.500*** (5.32)	10.18*** (5.42)
Traditional Stats	No	No	No	No	Yes	No	Yes
Sabermetric Stats	No	No	Yes	Yes	No	Yes	Yes
Team Fixed Effects	No	No	No	No	Yes	Yes	Yes
N	587	587	587	587	535	535	535
R^2	0.2872	0.4685	0.5068	0.5069	0.5794	0.6005	0.6103

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

From curiosity and completeness, I explored further and asked the same question but this time wondered if there was pay discrimination based on birth country. Substituting the international variable for nonwhite, I ran the same regressions again which can be seen in Table 4. Similar results were