

4 Conclusion

In conclusion, this study sought to examine the relationship between race and salary differentials among Major League Baseball (MLB) players. Using data from the seasons of 2015-2022 (excluding 2020 due to COVID-19), the study focused on the impact of race on salary differentials, while taking into account a player's performance as measured by Statcast data. The research question posed was whether there is pay discrimination based on race amongst MLB players.

The study's findings revealed that there is a significant difference in salaries between white and non-white players that are hitters in the MLB. The study also found that race was a statistically significant predictor of salary, even after controlling for performance variables such as WAR and Statcast metrics.

The study's use of Statcast data provided a more comprehensive measure of player performance than traditional statistics such as batting average or ERA. Statcast measures not only the results of a player's actions but also the quality of their actions, better accounting for the impact of a player's performance on their team's success. The inclusion of demographic data such as birth country and debut year allowed for the creation of an international dummy variable and service time variable, respectively, which added robustness to the analysis.

These findings have important implications for the ongoing debate on salary discrimination in professional sports. They suggest that there is a persistent and significant pay gap based on race in MLB, even after accounting for performance differences. This raises questions about the fairness of the MLB's salary structure and the impact of implicit bias on decision-making processes. It also highlights the need for continued efforts to increase diversity and inclusion in professional sports.

There are several limitations to this study that should be noted. First, the study's analysis is limited to the MLB, and the findings may not generalize to other professional sports leagues. Second, the study's measure of race was based on visual inspection of player roster pictures and names, which may not be a completely accurate measure. Third, the study is limited by the availability of data and the inability to account for all relevant factors that may influence salary differentials.

In future research, it would be valuable to explore the impact of other factors on salary differentials, such as player position, contract length, and free agency status. It would also be important to examine the impact of race on other aspects of player experience, such as endorsement deals and media coverage. Furthermore, future research should continue to examine the effectiveness of diversity and inclusion initiatives in professional sports and their impact on reducing pay disparities.

In conclusion, this study provides evidence of pay discrimination based on race in Major League Baseball. The findings suggest that there is a persistent and significant pay gap between white and non-white players, particularly for black and African American players. The study highlights the need for continued efforts to address issues of diversity and inclusion in professional sports and for ongoing research to better understand the factors that contribute to pay disparities.

could be interesting in intro to start w/ comparison of means & then use the analysis to decompose the sources of wage differentials