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ECO 580 Lab 6

1. View data printout (printout A)
2. View data printout. The program is essentially freaking out because we are running too many dummy variables into the regression.
3. Because we are not testing any specific dummy variables, we can omit them from the regression for now to fix the problem. (See data output)
4. (View printout B) We can fix this by testing for something specific. Here we are testing whether catchers and outfielders earn on average, the same amount (only two dummies instead of six). We get a p-value for our model of .0933 or 9.33% (see data output)
5. We run the test with the regression this time. With our F-value of 4.16 and our Pr value is low, meaning this Is a strong test and with the value being above 4 we can reject null.

For question two, see the data output (printout C) for the regression. Our model has a very strong F-value at 50.78 with a Pr of <.0001 implying an extremely strong model. Our r-squared is high at 63.7% which means this is a very strong model overall. This would imply that we can conclude that based on the data and results, there is discrimination that exists against blacks and Hispanics in the MLB.