Racial Salary Discrimination in the NBA: 2008-2009

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ABSTRACT. This paper examines racial salary differences in the National Basketball Association for the 2008-2009 season. Previous studies that used data from the mid-1980s estimated salary premiums of between 16 and 20% for white players whose performance was comparable to black players. A study that used data from the late-1980s to early-1990s showed no significant salary differential between white and black players. Another study, using data from the 1990s, found no racial discrimination in the NBA, but did find a height premium of 7.4%. This paper will update previous studies by using more recent data to analyze salary discrimination in the NBA. I find that nonwhite players earn approximately $83,000 more than white players for the 2008-2009 season. Yet when I control for player productivity and other variables, I find a significant white premium of approximately 24.5%. I also find that customer discrimination is not evident in the NBA for the 2008-2009 season.

I. Introduction

This paper examines racial salary discrimination in the National Basketball Association (NBA). Racial salary discrimination is an important aspect of labor market studies. The difficulty in determining racial salary discrimination stems from the difficulty in measuring the productivity of workers. The problem is solved in the professional sports labor market because productivity measures, in the form of performance statistics, are readily available as is salary information. Larry Kahn wrote:

> Professional sports offer a unique opportunity for labor market research. There is no research setting other than sports where we know the name, face, and life history of every production worker and supervisor in the industry. Total compensation packages and performance statistics for each individual are widely available, and we have a complete data set of worker-employer matches over the career of each production worker and supervisor in the industry. These statistics are much more detailed and accurate than typical microdata samples such as the Census or the Current Population Survey. (Kahn 2000, 75)

Kahn explained the phenomenon very well. Professional sports

produce immediate data that provide the productivity measures of players (workers). A long history of data is available for professional sports.

For the 2008-2009 NBA season, African-American players comprised approximately 78% of the league.[1] The 14 highest paid players in the league are African-American, all of them earning greater than $17 million in base salary. The five largest salaries for the 2008-2009 NBA season went to Kevin Garnett ($24.75 million), Jason Kidd ($21.372 million), Jermaine O'Neal ($21.372 million), Kobe Bryant ($21.262 million), and Tracy McGrady ($21.13 million) (NBA.com 2009). Table 1 shows the top 14 salaries in the NBA for the 2008-2009 season. Yet these figures can be deceiving. Kahn and Sherer reported that the top three NBA salaries for the 1985-1986 season also went to black players but still found racial salary discrimination to be evident in the NBA (1988, 41). Although the NBA *appears* to be a racially equal labor market, the important question is whether racial salary discrimination is evident in the NBA today.

TABLE 1–Top 14 Salaries in 2008-2009

Player	Salary
Kevin Garnett	$24,750,000
Jason Kidd	$21,372,000
Jermaine O'Neal	$21,372,000
Kobe Bryant	$21,262,500
Tracy McGrady	$21,126,875
Allen Iverson	$20,840,625
Stephon Marbury	$20,840,625
Tim Duncan	$20,598,704
Steve Francis	$20,024,000
Shaquille O'Neal	$20,000,000
Paul Pierce	$18,077,095
Shawn Marion	$17,810,000
Ray Allen	$17,388,430
Rashard Lewis	$17,238,000

Sports City, 2009

NBA players are more highly visible to fans, both on the court and on the bench, than players in other professional sports (Kahn and Sherer 1988, 41). Some suggest that there is a premium for being a white player in the NBA. That is because white fans may be willing to pay a premium to see white players on the team. Customer discrimination may be more prevalent in the NBA than other sports because of the visibility and relative scarcity of white NBA players. If salary discrimination is found for the 2008-2009 season, is it caused by customer discrimination?

II. Salaries in the NBA

The National Basketball Players' Association (NBPA) is the NBA's labor union. Bob Cousy organized the NBPA in 1954. It is the oldest professional sports labor union in North America (NBPA.com 2009). The NBPA supports the best interests of its players through the collective bargaining process. Collective bargaining agreements set the basic rules for salary determination. According to Kahn and Sherer, an important collective bargaining agreement started the free agency era in 1976 (1988, 42). Free agency allows a player to sell his services in the open market when his current contract expires. For the last quarter century, free agency caused NBA players' salaries to increase.

The institution of a stricter salary cap has slowed players' salaries growth (InsideHoops.com 2007). The NBA salary cap sets the total dollar amount that teams can spend on their players' salaries during a season. For the 2008-2009 season, the NBA salary cap was set at $58.68 million (ESPN.com 2008). The NBA imposes a "soft" salary cap that allows teams to go over the set salary limit (InsideHoops.com 2007). Therefore, the salary cap is not entirely restrictive. There is, however, a tax level of $71.15 million (ESPN.com 2008). Any team that goes beyond the tax level must pay a tax of $1 for every $1 it exceeds the tax level (InsideHoops.com 2007). The institutions of free agency and salary caps have changed the salary structure of the NBA.

III. Previous Studies

Kahn and Sherer (1988) studied the NBA's wage structure using data from 1985-1986. My study uses Kahn and Sherer's model. A variety of performance, market, and personal measures were used in their model.

They included a race variable because the study's focus was on racial salary discrimination. Race was represented by a dummy variable. Kahn and Sherer also included dummy variables for position. They believed the dummy variables would control for the possible differential value of the various NBA positions (Kahn and Sherer 1988, 46). In their research, Kahn and Sherer found that, ceteris paribus, black players earn approximately 20% less than white players (1988, 59). They believed the salary discrimination against black players in the NBA stemmed from discrimination by fans (Kahn and Sherer 1988, 60). Their results implied that going from an all-black to an all-white team would increase home attendance by approximately 138,000 fans (Kahn and Sherer 1988, 56). The positive significant effect of percentage of white players on the team illustrated customer discrimination in the NBA. The NBA has thirty different "firms" in its industry, and firms are profit-maximizers. NBA owners may want to have more white players on their team because more fans will come to games. More fans increase revenue. Customer discrimination may have led to the salary discrimination against black players as owners bid-up the price of the best white players.

Brown et al. (1991) researched salary discrimination against black players using performance statistics from the 1983-1984 NBA season and salary measures from the 1984-1985 season. They used performance data from the previous season because current salary levels depend on past performance (Brown et al. 1991, 334). Brown et al. used performance statistics in their model; they did not include as many explanatory variables for performance as Kahn and Sherer (1991, 335). Also, they excluded dummy variables for position in their model. Brown et al. found a salary premium of approximately 16% for white players, ceteris paribus (1991, 335). They concluded the NBA wage structure was racially biased because black players received 16% less compensation than white players with comparable performance (Brown et al.1991, 343). Their discovery was later criticized by Matthew S. Dey, who believed the discrimination was due to position played, not race (1997, 87).

Dey (1997) examined racial salary differences in the NBA for the late-1980s to the early-1990s. Dey argued that the NBA had changed in three important ways since the previous research. First, the NBA expanded by four new franchises for the 1989-1990 season. Expansion increased the demand for skilled NBA players. Second, the structure of free agency changed. The new free agency structure gave players an advantage in seeking the highest amount of money for their skills. Third,

a stricter salary cap was enacted (Dey 1997, 85). The salary cap restricted the amount of money teams could pay their players. The purpose of the salary cap was to equalize teams in different markets (Dey 1997, 85). Dey found no significant racial salary discrimination in the NBA. His regression on players' lifetime NBA performance resulted in a 1% premium paid to whites, while his regression on players' current NBA performance resulted in a 1% premium paid to blacks (Dey 1997, 86). Dey argued that the discrimination found by Brown et al. was possibly a premium paid to centers and not discrimination against blacks because the position variable was omitted in Brown et al.'s model (1997, 87). Dey believed the NBA to be a racially equal labor market. Lack of racial salary discrimination and changes in the NBA showed the NBA was growing and was an example of a progressive racially equal labor market.

Hill (2004) revisited the issue of racial salary discrimination using data from the 1990s. Hill used a model consisting of various performance statistics, height, and a dummy variable for race. Hill believed the height measure would account for any pay premium not captured by rebounds and blocked shots (2004, 83). He found that the race variable was statistically significant and indicated a 7.4% pay premium for white players, ceteris paribus (Hill 2004, 86). When he included height in the model, the race variable became statistically insignificant. The height variable was statistically significant. Hill believed the correlation between height and race created a false positive result for racial wage discrimination (2004, 87). In conclusion, Hill reported the pay discrimination in the NBA was a height premium and no racial salary discrimination was present in the 1990s in the NBA (2004, 90). The NBA was a racially equal labor market in the 1990s, unlike the mid-1980s.

Kahn and Shah (2005) investigated racial salary discrimination in the NBA using data from the 2001-2002 NBA season. They discovered racial salary effects among different groups of NBA players. One group suffered nonwhite shortfalls in salary, ceteris paribus. The group consisted of rookies not included in the rookie salary scale and players who were not free agents (Kahn and Shah 2005, 461). The rookie salary scale defines set salaries for players drafted in the first round of the NBA draft regardless of position played, productivity statistics, or race. Players drafted beyond the first round are not included in the rookie salary scale. Players who were under the rookie salary scale and veteran free agents did not suffer from racial salary differences (Kahn and Shah 2005, 461). They concluded that union pay scales and competition in the free agent

market can cause racial pay differences to disappear. Although racial salary discrimination was evident among groups of NBA players, there was no racial salary discrimination across the entire industry.

IV. Data

The data used in the present study include productivity statistics, personal characteristics, NBA players' salaries, and demand- and market-related measures. NBA productivity statistics and personal characteristics were provided by NBA.com, the official website of the NBA. The statistics are not based on a single season, but are career performance statistics. Career performance statistics explain the salary level of a given player. A player who has consistently performed well throughout his career normally reaches a higher salary level. Player salaries for the 2008-2009 NBA season were provided by Sports City. Sports City provides sports data on every professional sport in North America. Demand-related data were provided by ESPN.com. Market-related data were provided by the U.S. Census Bureau and Bureau of Economic Analysis.

Rookies were excluded from the sample set because NBA productivity statistics were unavailable. Rookies are NBA players drafted out of college and are participating in their first season in the league. Rostered players, players on the team who have not played, were also excluded because of unavailable performance statistics. These players receive a salary, but are located on the practice squad or injured reserve.

V. Models

My model for salary determination is based on Kahn and Sherer's model (1988) and is of the following form:

$$\ln S = \beta_1 X + \delta R + \varepsilon$$

where:

S = The salary of the player in 2008-2009;
X = A vector of explanatory variables;
R= Dummy variable for race (1 for white, 0 otherwise);
ε = An error term.

The vector of explanatory variables includes the following:

SEASONS =	number of years player has played in the NBA,
MINS =	average career minutes played per game,
GP =	average number of games played per season,
FT =	career free throw percentage,
FG =	career field goal percentage,
PTS =	career points scored per game,
CENTER =	dummy variable for centers (1 for center, 0 otherwise),
FORWARD =	dummy variable for forwards (1 for forward, 0 otherwise),
OREB =	career offensive rebounds per game,
DREB =	career defensive rebounds per game,
ASST =	career assists per game,
FOULS =	career fouls per game,
STL =	career steals per game,
TURN =	career turnovers per game,
BLK =	career blocks per game,
POPMSA =	July 2007 population of team's Standard Metropolitan Statistical Area,
WIN =	2007-2008 winning percentage of player's 2008-2009 team,
ATT =	2007-2008 average home attendance of player's 2008-2009 team
HEIGHT =	player's height measured in inches,
ALLSTAR =	dummy variable for 2008 all-star appearance (1 for all-star, 0 otherwise)

On-court player performance is measured through the shooting, scoring, rebounding, assists, fouls, steals, blocks, and turnover statistics. NBA player longevity is measured through the SEASONS variable. The dummy variables for the center and forward positions are included to control for the different values of these positions. A dominant center is known to be a key ingredient of a championship team. These variables allow the model to capture the physical nature of players as these positions provide an intimidating presence on the court, which rebounds and blocked shots are unable to do. MINS captures how a team utilizes its players. On average, a player who is more valuable to his team will play

more minutes per game. Games played per season measures a player's durability throughout his career. POPMSA and ATT both measure market related variables. Team success is measured through WIN. A team is more likely to pay a higher salary for a player if it had success in the previous season. HEIGHT captures advantages players have over performance statistics such as rebounds, blocked shots, and turnovers. Taller players cause opposing players to alter their shots or passes. Opponents will have lower shooting percentages or increased turnovers. ALLSTAR controls for the popularity of players because NBA fans vote for the all-star team. The key variable in the model, WHITE, measures whether the player is white or another race.[2] Recall that the NBA differs from other professional sports because players are highly visible to fans. Players are perceived as light or dark skinned.[3]

To test for customer discrimination, I estimate a model of home attendance for the 2008-2009 season. My model for attendance determination is of the following form:

$$ATTEND = \beta_1 + \beta_2 WINPCT + \beta_3 STARS + \beta_4 ARENA + \beta_5 TEAMS + \beta_6 PRICE + \beta_7 PCTWHITE + \beta_8 POPMSA + \beta_9 RACEMSA + \beta_{10} GDPMSA + \varepsilon$$

where:

ATTEND =	NBA team's average home attendance for 2008-2009 season;
WINPCT =	NBA team's 2008-2009 winning percentage;
STARS =	Number of 2008-2009 all-stars on NBA team;
ARENA =	NBA team's 2008-2009 arena capacity;
TEAMS =	Number of other major league sports franchises in NBA team's city;
PRICE =	2008-2009 average home ticket price of NBA team;
PCTWHITE =	Fraction of NBA team members who are white;
POPMSA =	July 2007 population of NBA team's MSA;
RACEMSA =	2007 percentage of NBA team's MSA that was African-American;
GDPMSA =	2006 GDP of NBA team's MSA;
ε =	An error term.

Estimation of the attendance determination model is a direct test of the idea of customer discrimination. WINPCT and STARS indicate team

fan appeal. More fans will come to games if the team is successful and contains popular players on its roster. ARENA controls for the maximum level of attendance. TEAMS, PRICE, POPMSA, RACEMSA, and GDPMSA are demand-related variables. PCTWHITE measures the effect on attendance of going from an all-black to an all-white team.

VI. Salary Regression Results

Table 2 illustrates the mean values for the sample used in the salary regression. Nonwhite players account for 78.9% of the sample. On average, nonwhite players earn $83,030 more than white players for the 2008-2009 NBA season. For their careers, nonwhite players score more points per game, grab more rebounds, dish out more assists, create more steals, and block more shots than white players.

TABLE 2–Mean Values of the Salary-Regression Sample

Variable	Whites	Nonwhites
YEARS	5.4675	5.8021
MINS	21.444	24.159
GP	59.164	61.545
FT	.74130	.73077
FG	.45827	.45442
PTS	8.2545	10.024
CENTER	.31169	.18403
FORWARD	.41558	.40972
OREB	1.1857	1.2017
DREB	2.9013	2.9958
ASST	1.8584	2.0639
FOULS	2.1000	2.2076
STL	.59740	.77708
TURN	1.1907	1.4438
BLK	.44026	.48541
WHITE	1.0000	0.0000
WIN	.51262	.49980
ATT	17,503	17,405
POPMSA	4,433,800	5,012,170
HEIGHT	80.49	78.85
ALLSTAR[4]	2	24
SALARY	$5,447,100	$5,530,130
1nSALARY	15.511	15.526
Sample Size	77	288

These figures indicate nonwhite players generally perform better than white players on the court. Nonwhite players average more blocks per game than white players even though there are more white players playing the center and forward position and white players are taller on average. White players outperform nonwhite players in free throw and field goal percentages for their career, and their teams have a higher winning percentage. White players also draw larger home attendance. The mean values for the sample used in the salary regression give a basis for how white and nonwhite players have performed in their NBA careers.

Table 2 shows that nonwhite players have a salary advantage over white players in the NBA, on average. But Table 3 shows that white players are paid significantly more than nonwhite players in the NBA, ceteris paribus. The first OLS regression shows a premium of approximately 24.6% paid to white players compared to nonwhite players with the same performance statistics. The race effect for ln (Salary) is statistically significant at the 1% level. The second OLS regression includes turnovers in the model. Kahn and Sherer did not include the turnover variable in their model, but turnovers are an important performance measure that should be included because turnovers have a significant impact on NBA games and players' overall performance. Turnovers should have a negative effect on salary. Including turnovers in the model does not have any effect on the race variable, which indicates a 24.3% white premium. Turnovers do have a negative impact on salary, but they are not statistically significant. The race effect is still statistically significant at the 1% level. Market measures and winning percentage are included in the third regression. These measures do not have any effect on the race variable. A white premium of approximately 24.4% is present. The race effect is still statistically significant at the 1% level.

Table 2 shows that white players are 1.64 inches taller on average than nonwhite players. Recall that Hill included height in his model. He found race to be statistically insignificant while height was statistically significant (Hill 2004, 85).The fourth OLS regression includes height in the original OLS model and does not produce the same results as Hill. Race is still significant at the 1% level while height is not statistically significant. A white premium of approximately 23% is present. The fifth regression includes all-star appearances in the original OLS model. Including ALLSTAR in the model does not alter the significance of the race variable. A white premium of approximately 25% is evident. Race is statistically significant at the 1% level.

TABLE 3–OLS Results for ln (Salary)

Explanatory Variables	OLS I	OLS II	OLS III	OLS IV	OLS V
CONSTANT	12.7227*** (.4205)	12.7440*** (.4324)	12.8709*** (.4571)	11.4564*** (1.5344)	12.7317*** (.4213)
YEARS	.0462*** (.0142)	.0461*** (.0144)	.0459*** (.0144)	.0461*** (.0142)	.0459*** (.0141)
MINS	.0292* (.0149)	.0288* (.0152)	.0288* (.0156)	.0296** (.0148)	.0336** (.0155)
GP	.0069** (.0027)	.0069** (.0028)	.0068** (.0028)	.0068** (.0027)	.0068** (.0027)
FT	-.3602 (.3366)	-.3741 (.3483)	-.3704 (.3502)	-.3288 (.3361)	-.3644 (.3360)
FG	.8131 (.8252)	.7838 (.8310)	.8034 (.8325)	.7736 (.8181)	.7813 (.8272)
PTS	.0608*** (.0148)	.0632*** (.0203)	.0644*** (.0209)	.0584*** (.0149)	.0534*** (.0160)
CENTER	.1653 (.1435)	.1679 (.1455)	.1693 (.1448)	.0856 (.1805)	.1575 (.1430)
FORWARD	.0056 (.0959)	.0069 (.0970)	.0062 (.0969)	-.0461 (.1183)	.0017 (.0957)
OREB	-.0277 (.0844)	-.0272 (.0846)	-.0268 (.0850)	-.0270 (.0844)	-.0245 (.0848)
DREB	-.0003 (.0514)	.0003 (.0513)	-.0014 (.0525)	-.0042 (.0509)	-.0136 (.0544)
ASST	-.0069 (.0345)	-.0007 (.0461)	.0011 (.0468)	.0018 (.0362)	-.0142 (.0355)
FOULS	.0855 (.0974)	.0914 (.1047)	.0912 (.1057)	.0854 (.0975)	.0978 (.0979)
STL	.0796 (.1375)	.0788 (.1372)	.0780 (.1387)	.0958 (.1369)	.0756 (.1379)
TURN	-	-.0291 (.1479)	-.0375 (.1489)	-	-
BLK	.0646 (.1363)	.0669 (.1364)	.0720 (.1385)	.0521 (.1383)	.0669 (.1367)
WHITE	.2456*** (.0795)	.2433*** (.0803)	.2438*** (.0813)	.2291*** (.0821)	.2508*** (.0800)
WIN	-	-	.0286 (.2591)	-	-
ATT	-	-	.000008 (.00002)	-	-
POPMSA	-	-	.000000004 (.00000008)	-	-
HEIGHT	-	-	-	.0165 (.0190)	-
ALLSTAR	-	-	-	-	.1873 (.1270)
Sample Size	365	365	365	365	365
Adjusted R^2	.5981	.5970	.5940	.5977	.5987

NOTE -- Standard errors in parenthesis.
NOTE -- * = Significant at 10% level
NOTE -- ** = Significant at 5% level
NOTE -- *** = Significant at 1% level

Although Table 2, with sample means, shows that nonwhite players have a salary advantage in the NBA, as soon as individual performance is controlled, a 24.6% white premium is evident in the NBA. The race effect holds with the inclusion of TURN, WIN, market-related measures, HEIGHT, and ALLSTAR.

The regression revealed additional effects on pay. The longevity of NBA players has a significant effect on NBA players' salaries. The YEARS variable is significant at the 1% level. According to the model, an extra year in the NBA would result in an approximate 4.5% salary increase, ceteris paribus. Career points scored per game also have a significant effect on salary. An extra point scored per game would generate an approximate salary increase of 6%, ceteris paribus. The PPG variable is statistically significant at the 1% level. Games played per season is significant at the 5% level and shows that an extra game played per year would generate an approximate 0.7% increase in salary, ceteris paribus.

VII. Attendance Regression Results

Table 4 contains the home attendance regression results. Recall that Kahn and Sherer found PCTWHITE to have a positive significant effect on home attendance (1988, 56). In both OLS regressions, PCTWHITE does not have a significant effect on home attendance. The first OLS regression shows ARENA to have a positive statistically significant effect on home attendance. ARENA is statistically significant at the 1% level. Due to the popularity of the NBA, 90% of arena capacity was filled for the 2008-2009 season (ESPN.com 2009). Obviously, teams with larger arena capacity will have larger home attendance. Therefore, I conclude that arena capacity captures most of the variation in home attendance for the NBA. The second OLS regression excludes ARENA and includes PRICE in the model. PRICE captures demand for NBA tickets. Excluding ARENA and including PRICE causes WINPCT to become statistically significant at the 10% level. A 1% increase in winning percentage would increase home attendance by approximately 7,500 fans, ceteris paribus. PRICE is not statistically significant in the model. Table 4 indicates that teams playing in large arenas and with high winning percentages have higher home attendance.

TABLE 4–OLS Results for ATTEND

Explanatory Variables	OLS I	OLS II
CONSTANT	-16248.4***	11118.7***
	(5171.64)	(2145.48)
WINPCT	3635.41	7534.5*
	(2813.55)	(4308.6)
STARS	666.089	-623.475
	(540.568)	(751.188)
ARENA	1.62175***	-
	(.298807)	
TEAMS	-402.093	365.473
	(389.142)	(504.961)
PRICE	-	58.3448
		(44.8080)
PCTWHITE	-920.436	525.984
	(4035.99)	(5106.67)
POPMSA	.0003901	-.000246
	(.000227)	(.000359)
RACEMSA	-.0002627	.0011034
	(.001144)	(.001536)
GDPMSA	-.0017724	-.001188
	(.0019562)	(.002398)
Same Size	30	30
Adjusted R^2	.5373	.1519

NOTE -- Standard errors in parenthesis.
NOTE -- * = Significant at 10% level
NOTE -- ** = Significant at 5% level
NOTE -- *** = Significant at 1% level

The results from the attendance determination regressions signify that the customer discrimination found in the mid-1980s has disappeared from the NBA for the 2008-2009 season because the coefficients on the PCTWHITE variable are not statistically significant. Customer discrimination is not the cause of the nonwhite shortfall in salary.

VIII. Conclusion

Economic studies of the NBA are important as the league has a significant place in American culture. African-American players comprise a majority of the league. This paper has synthesized previous studies on racial salary discrimination in the NBA and has provided empirical evidence of racial salary discrimination in the NBA for the 2008-2009 season. Previous studies showed racial discrimination during the 1980s in the NBA. Racial salary discrimination disappeared during the 1990s. The results for the 2008-2009 season indicate that white NBA players earn approximately 24.6% more than nonwhite players, ceteris paribus. Although the mean values of the sample set indicate a nonwhite advantage in salary, as soon as all else was held equal, nonwhite players suffer a significant salary disadvantage. These results indicate the wage structure of the NBA is discriminatory against nonwhites. The notion of customer discrimination, however, is not evident in the NBA for the 2008-2009 season. For the 2008-2009 season, NBA home attendance increases with larger arena capacity and high team winning percentage. Percentage of white players on the team is not a determinant of NBA home attendance.

The findings of the study are very similar to Kahn and Sherer (1988) and Brown et al. (1991). Racial salary discrimination appears to be worse in 2009 than it was in the mid-1980s.[5] Dey's (1997) and Hill's (2004) findings of racial equality in the NBA appears to have vanished. Racial salary discrimination has reappeared in the NBA in the late-2000s. To the casual fan, the NBA *appears* to be a racially equal labor market because nonwhite players comprise a majority of the NBA, and the top salaries in the NBA are received by nonwhite players. This fact may prevent any suspicion that nonwhite players face salary discrimination in the NBA. The results of the study show the NBA to be a racially discriminatory industry.

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Endnotes

1. 285 of the league's 365 players were African-American (excluding rookies).
2. Two players for the 2008-2009 season are Asian (Yi Jianlian and Yao Ming) and one player is Mexican (Eduardo Najera). 285 players in the NBA are African-American.

3. For this study, a player is considered white if he is perceived as light skinned. A player is nonwhite if he is perceived as darker skinned.
4. Instead of sample mean, I used number of all-star players that were white and nonwhite, respectively.
5. White premium of approximately 24.6% for the 2008-2009 season versus 16-20% white premiums found in the 1980s.