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BASEBALL CARDS SHOW EVIDENCE OF RACIAL DISCRIMINATION?
UNIVERSITY OF DAYTON ECONOMIST SAYS IT ISN'T SO

DAYTON, Ohio — Fast pitch past this season of baseball glory to some 20 years in the future. Mark McGwire and Sammy Sosa have hung up their cleats and called their careers quits, each posting identical career hits, home runs and stolen bases.

Will McGwire’s baseball cards be more valuable?

Previous studies in top economic journals claimed evidence that, all else being equal, the price a baseball card-buying fan pays depends on a player’s race — with white players’ cards commanding higher prices.

A University of Dayton economist says it isn’t so.

“Controlling for players’ performance, there is not strong statistical significance of racial discrimination against black and Hispanic players,” says Marc Poitras, assistant professor of economics and finance at UD.

Poitras’ article on “Consumer Racial Discrimination: A Reassessment of the Market for Baseball Cards” will be published in 1999 in the quarterly Journal of Labor Research.

The value of a player’s card is determined by his career performance and the scarcity of the card. Poitras turned up two problems with data in earlier studies — one looked at card sets from years when the number of cards created was not uniform. Another study chose a set of players who were still active — which didn’t reflect their career performance. “When your career is still active, the card prices reflect speculation on your future promise.”

Poitras picked a Topps card set from 1974 and studied price data from 1994 that reflected preferences of current consumers. Looking at statistics for hitters and pitchers, the results suggest that only performance, not race, determines card price. Anecdotally, Poitras notes that cards featuring Dave Winfield, a black rookie in 1974, were among the most valuable,
closely followed by Hank Aaron and Reggie Jackson, black players.

"The biggest issue with consumer discrimination, when it does exist, is that it’s most likely to affect wages," Poitras says. Employers may prefer white players and pay them more highly if the employers perceive that white players are providing more enjoyment for the fans, he says.

However, Poitras says results from his own research support recent research that reveals no evidence of salary discrimination in the baseball labor market. "Evidence from the baseball labor and memorabilia markets indicates that consumers have no taste for racial discrimination," he says.

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