

Abstract

Salary discrimination is a phenomenon that arises from ineffective behaviour of economic subjects. Even though its presence is incompatible with the theory of profit maximization, salary inequality still persists in the human society. Nevertheless, the investigation of this topic has been largely unheeded in the environment of professional football. In our empirical research, we use the most recent data to investigate the salary gap between white, African American and Hispanic players in the American Major League Soccer. Besides ordinary least squares method that focuses on the impact of ethnicity for the average player, we adopted the method of quantile regression to reveal wage gap between players with below-average pays. Observing each player's performance for 3 seasons, we uncovered salary discrimination against African Americans and Hispanics in the lowest decile of the salary distribution that amounts to 18.9% and 15.3%, respectively. Furthermore, we utilized the difference-in-differences (DID) estimator to find no effect of the increasing level of invested money on the wage gap.

JEL Classification J30, Z20, Z21, J71 J31 J15

Keywords discrimination, race inequality, football, quantile regression, OLS, wages, racism

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