

James Gwartney and Charles Haworth, "Employer Costs and Discrimination: The Case of Baseball," *Journal of Political Economy*, Vol. 82, No. 4, 1974, pp. 873-882.

1. What questions are the authors investigating?
2. What does economic theory tell us about the competitiveness of employers that discriminate?
3. How do the authors test this theory? What do the authors use as a measure of output?
4. What do the results suggest about the output of teams that included black players (that is, what is a black player's marginal product?)
5. If fans boycotted teams that employed black players, what would happen to marginal revenue? What does this imply for the integration of black players?
6. Did the teams have an economic incentive to hire black players (that is, what is the value of the marginal product of a black player?).
7. Be sure that you are comfortable discussing the regression output (coefficients, R^2 , etc.)