



# Outside the Lines

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## **Fair Pay for Fair Play: A Preliminary Analysis of Race-Based Wages in MLB and the Negro Leagues**

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Beginning in 1885 African American baseball players were banned from playing in the same league as white players. This unwritten segregation of professional baseball persisted for more than half a century. The only sources of employment for professional baseball players of African American descent were leagues organized exclusively for black ballplayers. Such leagues first emerged in the late 19<sup>th</sup> century and lasted until 1961, though they dwindled considerably during the decade after the integration of Major League Baseball (MLB). This is all well known to students of baseball history. What is not as well known is how those players fared in the way were paid.

This article serves as a preliminary study of how black and white players were paid in their segregated leagues, how those salaries compared to blue collar workers and how the salaries changed when MLB re-integrated beginning in 1947. The data available cover the years 1917-59.<sup>1</sup>

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### *WHAT WERE BALLPLAYERS PAID BEFORE INTEGRATION?*

We already know that major league players were handsomely paid during the period of segregation. Research into the financial structure of the New York Yankees has provided us with copious and detailed information on player wages.<sup>2</sup> We know that the average player earned a wage several times higher than the average annual wage of manufacturing workers.

What is less certain is how well the Negro League players fared. There are several sources of financial data for Negro League teams. The quality and quantity of these data varies. The financial records of the Hilldale club, often referred to as the Daisies, are quite extensive. We have fairly detailed accounts from 1915-1927. Other teams, such as the Newark Giants and the Kansas City Monarchs, also provide us with detailed financial information, but for shorter periods of time in the 1940s and post integration 1950s respectively. Finally, there is a small amount of payroll information for the Birmingham Barons during the latter half of the 1920s.<sup>3</sup> There are likely other sources available, but to date they have either not been discovered or they have not been publicized.

Table 1 summarizes the average wages of New York Yankee players and an assortment of average wages from various Negro League teams for selected years. No salary data are available for Negro League teams for the years 1933-39, so those years have been omit-

*(Continued on page 2)*

<sup>1</sup> For a more general look at the comparison of baseball player wages to those of average American workers see Hauptert, Michael J., "Worth Their Weight in Gold? A brief history of Major League Baseball salaries compared to the average worker," *GameDay* vol 4 no. 2, May 2005.

<sup>2</sup> See Hauptert, Michael J. and Kenneth Winter, "Yankee Profits and Promise: The Purchase of Babe Ruth and the Building of Yankee Stadium" in Wm. Simons, ed., *The Cooperstown Symposium on Baseball and American Culture*, McFarland & Co.: Jefferson, NC, 2003; Hauptert, Michael J. and Kenneth Winter, "Pay Ball: Estimating the Profitability of the New York Yankees, 1915-1937," *Essays in Economic and Business History* XXI (Spring 2003), pp 89-102; Hauptert, Michael J., "Purchasing Pennants: the New York Yankees Then and Now, Part I: Yankee revenues and expenses," *The Business of Baseball Newsletter*, vol. XX, no. 2, 2005, Hauptert, Michael J., "Purchasing Pennants: the New York Yankees Then and Now, Part II: Player salaries," *The Business of Baseball*

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| <b>Table 1</b>   |                |                          |   |
|--|----------------|--------------------------|---|
| <b>Average Salaries in Segregated Leagues<br/>Selected Years 1917-46</b>   |                |                          |   |
| <b>Year</b>  | <b>Yankees</b> | <b>Negro<br/>Leagues</b> | <b>Source of<br/>Negro League<br/>Salary Data</b> |
| 1917   | \$3,306        | \$217                    | Hilldale  |
| 1918   | \$3,171        | \$304                    | Hilldale  |
| 1919   | \$3,213        |                          |   |
| 1920   | \$5,110        |                          |   |
| 1921   | \$5,016        | \$331                    | Hilldale  |
| 1922   | \$7,944        |                          |   |
| 1923   | \$9,838        |                          |   |
| 1924   | \$7,332        |                          |   |
| 1925   | \$8,942        |                          |   |
| 1926   | \$8,284        | \$307                    | Birmingham  |
| 1927   | \$8,465        | \$498                    | Birmingham  |
| 1928   | \$9,182        | \$329                    | Birmingham  |
| 1929   | \$9,171        | \$356                    | Birmingham  |
| 1930   | \$10,878       | \$317                    | Birmingham  |
| 1931   | \$9,263        | \$827                    | Hilldale  |
| 1932   | \$9,416        | \$960                    | Hilldale  |
| 1940   | \$11,759       | \$803                    | Newark  |
| 1941   | \$10,769       | \$927                    | Newark  |
| 1942   | \$11,060       | \$1,350                  | Newark  |
| 1943   | \$9,646        | \$1,159                  | Newark  |
| 1944   | \$11,944       | \$1,470                  | Newark  |
| 1945   | \$7,203        |                          |   |
| 1946   | \$7,742        | \$1,933                  | Newark  |
| <b>Sources:</b> Cash Thompson archives, Birmingham Barons archives, Thomas Y. Baird Collection, Haupt-Winter Yankee Financial Records. |                |                          |   |

ted from the table. For all salaries the amount listed is contracted pay, not including bonuses, fines, or other deductions.

It is certainly no surprise that before integration MLB salaries were significantly higher than those paid to Negro Leaguers. The American and National Leagues were larger, more established, and much more financially successful, which drew far more fans than the Negro Leagues did. The resulting revenue streams were significantly higher for MLB, therefore the salaries earned by the players were much higher.

While it is insightful, it is not necessarily relevant to compare the wages of white to black players since neither could play in the other league. Of greater interest is the opportunity cost of the players. An opportunity cost is an economic term meaning the cost of a foregone alternative. In other words, if they were not ballplayers, what would they be doing, and how much money would they earn?

We know from previous research that the majority of professional baseball players during this era were not highly educated workers.<sup>4</sup> While there are examples of players who moved from baseball to other professional careers, such as John Montgomery Ward, who entered the legal field after baseball, most players pursued jobs that would be described as blue collar. They entered manufacturing, agriculture or basic service industries, jobs which did not require specialized skills or advanced training. In fact, many of these players did not even wait until they retired to begin plying such trades. This was not unusual before the inflated salaries brought about in the post-free agency era. As a result, the manufacturing wage is a reasonable wage to consider as an opportunity cost for professional baseball players.

(Continued on page 3)

*Newsletter*, vol. XX, no. 3, 2005, Haupt, Michael J., "Purchasing Pennants: the New York Yankees Then and Now, Part III: Player performance," *The Business of Baseball Newsletter*, vol. XX, no. 1, 2006.

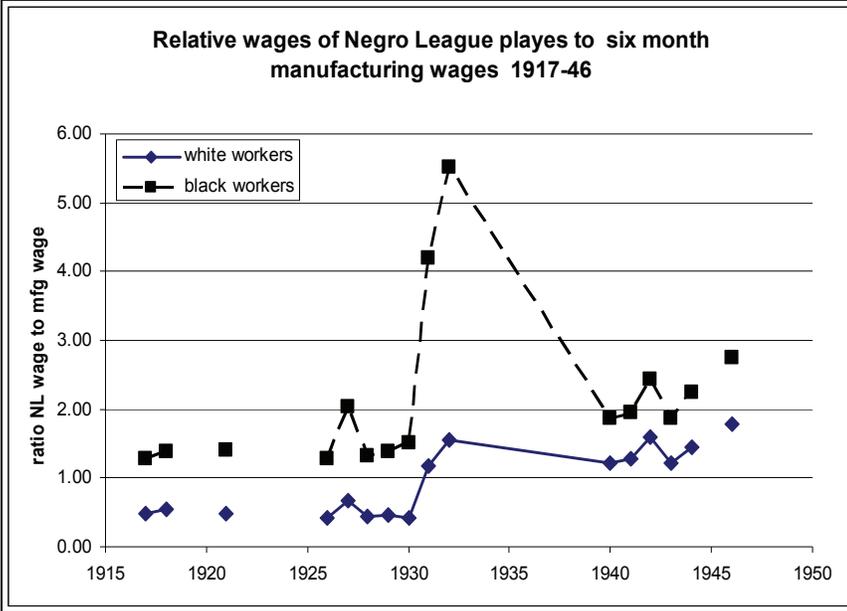
<sup>3</sup> Unfortunately, these archives are scattered across the country in various libraries, and are not available in one place. The Hilldale records are located in the African American Museum in Philadelphia, the Newark records are located in the Newark Public Library, the Birmingham records are part of the Joyce Collection of Sports History at the University of Notre Dame, and the Kansas City records are located in the Spellman Library at the University of Kansas.

<sup>4</sup> For an overview of the relationship between college and professional baseball players see Gagnon, Cappy, "College Baseball," in *Total Baseball*, John Thorn and Pete Palmer, eds., Warner Books: New York, 1989. For a discussion of ballplayers and their post-career employment see Topp, Richard, "Demographics," in *Total Baseball*, John Thorn and Pete Palmer, eds., Warner Books: New York, 1989.

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collar wage index for black workers based on the wages of southern textile workers has been constructed. This is used as the representative opportunity cost for black workers.

Figure 1



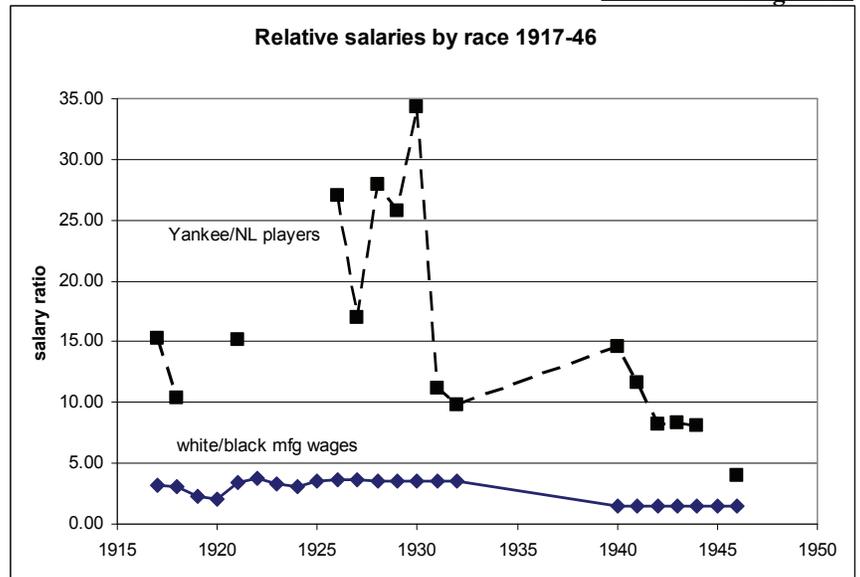
Despite the fact that Negro Leaguers were making only a fraction of what the average Yankee player was earning, they were doing quite well when compared to the average worker. Figure 1 shows the relative wage of Negro League players to the average manufacturing wage in the U.S., which I have labeled white workers, and their wage relative to the average salary of African American blue collar workers.

A bit of explanation about these wages is necessary. The wage labeled white workers is the U.S. average wage for manufacturing workers. The series labeled black workers is computed from research done by economic historians on relative race-based wages in the first half of the 20<sup>th</sup> century.<sup>5</sup> While economy-wide series of specific race-based wages for this period are scarce, there are some samples available that have allowed economists to estimate relative wages for workers based on race. Using this research a blue

The length of the baseball season must also be dealt with. For the most part, the season is six months long. Spring training and post season play may extend the length of the season on either end. As mentioned, most players worked in the off season. For this reason, the proper idea of an opportunity cost for the players is not the annual wage of manufacturing workers, but the six month wage – that is, the salary they could have earned during the six months they spent playing baseball. During the other six months of the year the average player was working at another job, therefore only during the baseball season did he forego the opportunity to earn a manufacturing wage.

Negro Leaguer players did quite well when compared to the alternative choice for black workers (Figure 1). During the baseball season they earned between 128% and 275% of the six month wage

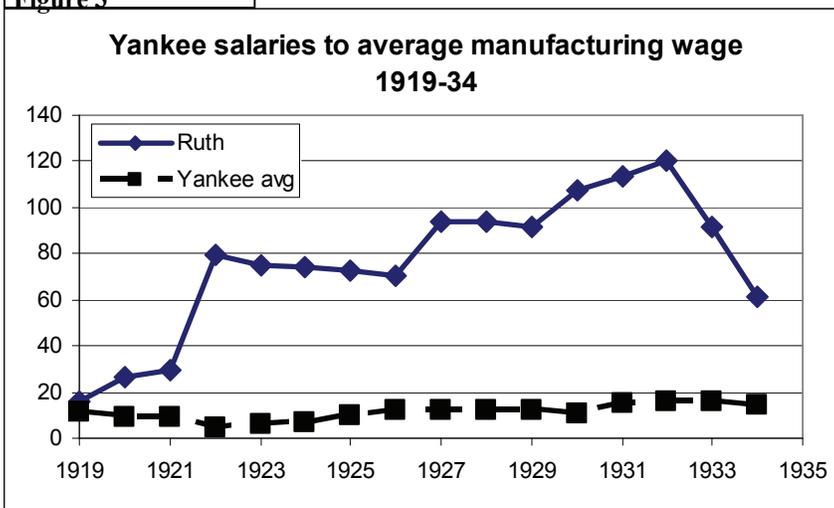
Figure 2



(Continued on page 4)

<sup>5</sup> For research on race-based wages in the early part of the 20<sup>th</sup> century see Wright, Gavin, *Old South, New South: Revolutions in the Southern Economy Since the Civil War*, Basic Books, Inc.: New York, 1986; Maloney, Thomas N., "Wage Compression and Wage Inequality Between Black and White Males in the United States, 1940-1960," *Journal of Economic History*, vol. 54, no. 2 (June 1994); pp 358-81; Margo Robert, "Explaining Black-White Wage Convergence, 1940-1950," *Industrial and Labor Relations Review*, vol. 48, no. 3 (April 1995); pp 470-81.

Figure 3



Only Ruth earned as much as the current major league minimum salary. The average manufacturing worker today brings in about \$32,000. Figure 3 compares Ruth and the average Yankee to the average six month manufacturing wage. It is no surprise that Ruth's salary towers above everyone else.

**AFTER INTEGRATION**

The disrupted labor market during WWII helped improve wages for African Americans. While wages improved for average workers the American labor market certainly could not be described as color blind.

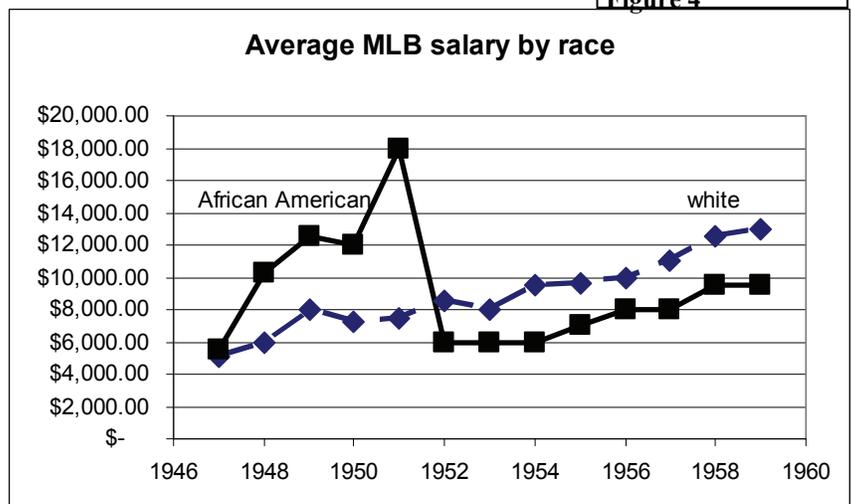
of black manufacturing workers. Even relative to white workers they held their own, surpassing the average manufacturing wage of white workers by 1931, and certainly better than the average black worker did relative to the average white worker (Figure 2). The average white worker earned between two and nearly four times what the average black worker earned through 1930 and 1.5 times as much in the 1940s. A black ballplayer earned roughly half as much as the average white worker earned in six months between 1917 and 1930 and 20% to 80% more during the 1940s.

Nor, of course, could baseball. Beginning in 1947 though, MLB did begin to hire talented black players out of the Negro Leagues and integrate them into the majors. Along with the integration of the league came a tremendous boost in salaries for black players—at least for those who made it to the big time.

After integration the salaries of black players who made it to the majors increased dramatically while those players left behind in the Negro Leagues saw their salaries stagnate. These results need to be tempered by a couple of observations. First, the samples are small. For the Negro League data, the salaries are

To put a human face on the salary situation during integration let's look at a few individual player salaries. Babe Ruth was the highest paid player in MLB when he drew a salary of \$80,000 in 1931. In comparison, Joe Gordon earned \$20,000 for the Yankees in 1943 and Home Run Baker earned \$9,167 in 1918. In the Negro Leagues, Martin Dihigo took home \$1,072 for the Hilldale Daisies in 1931, Mule Suttles \$1,50 for Newark in 1943 and Louis Santop earned \$730 in 1918 for Hilldale. The highest Negro League salary in the sample was the \$2,700 paid to Leon Day by Newark in 1946. When adjusted for inflation those salaries today would be worth \$118,896 for Baker, \$9,468 for Santop, \$13,743 for Dihigo, \$1,025,600 for

Figure 4



(Continued on page 5)

<sup>6</sup> All salary data are gathered from salary databases created by Michael J. Hauptert from the various archives referenced earlier.

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averages of players for only one team each season. In the first years of an integrated MLB, there were only a few black players – and it should be noted that those blacks who did make it in the early years were anything but average. They were among the best the Negro Leagues had to offer. This helps explain the rather startling results seen in Figure 4, which shows the significantly higher average wages of black relative to white major leaguers in the first years after integration.

The players who were left behind in the Negro Leagues were not only less talented on average, but they were left in a lower quality league that had been decimated by the signing of the best players by MLB. This lower quality league drew fewer fans, thus the falling salaries of Negro League players after integration (Table 2).

| Year | Negro Leagues | MLB      | MLB/NL |
|------|---------------|----------|--------|
| 1948 | \$1,353       | \$10,250 | 7.6    |
| 1950 | \$300         | \$12,000 | 40.0   |
| 1952 | \$733         | \$6,000  | 8.2    |
| 1953 | \$720         | \$6,000  | 8.3    |
| 1954 | \$300         | \$6,000  | 20.0   |
| 1955 | \$298         | \$7,000  | 23.5   |

Source: Hauptert salary database

| Birmingham Barons |         | Cleveland Indians and St. Louis Browns |          |
|-------------------|---------|--|----------|
| Year              | Salary  | Year                                   | Salary   |
| 1927              | \$688   | 1948                                   | \$15,000 |
| 1928              | \$600   | 1949                                   | \$15,000 |
| 1929              | \$1,422 | 1951                                   | \$25,000 |
| 1930              | \$658   | 1952                                   | \$25,000 |
|                   |         | 1953                                   | \$25,000 |

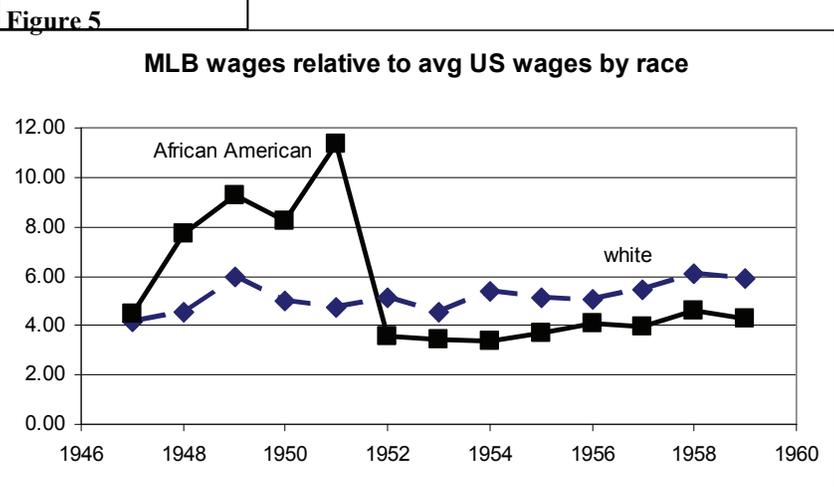
As Figure 5 illustrates, blacks in the majors earned four to twelve times as much as the six month salary of white workers. By 1952 black MLB salaries had fallen below that of white players, but were still comfortably ahead of the white manufacturing wage. The fall in black ballplayer salaries is due to an increasing number of black players coming into the league, with the younger and less experienced new players pulling the average salary down.

After the initial wave of the most accomplished black players into the league, less certain prospects began to arrive. The first crop of former Negro Leaguers to make it to MLB included Hall of Famers Jackie Robinson, Larry Doby, Roy Campanella, and Willie Mays, along with Don Newcombe, Monte Irvin and Luke Easter. While the latter crop included luminaries such as Hank Aaron and Ernie Banks, it also featured the likes of Bob Boyd, Quincy Troupe and George Crowe. The declining quality of black players was reflected in their falling wages.

As the number of black MLB players increased, a race gap emerged and remained for the duration of the sample period. Black and white wages both increased at a slow but steady pace with a persistent gap of about \$2,000. The first black major leaguers were paid more than their white brethren, but as the number of black players increased and their average quality decreased, their average salary fell and a wage gap emerged.

Satchel Paige is the embodiment of the change in fortune for black players. Table 3 shows an example of his salaries before and

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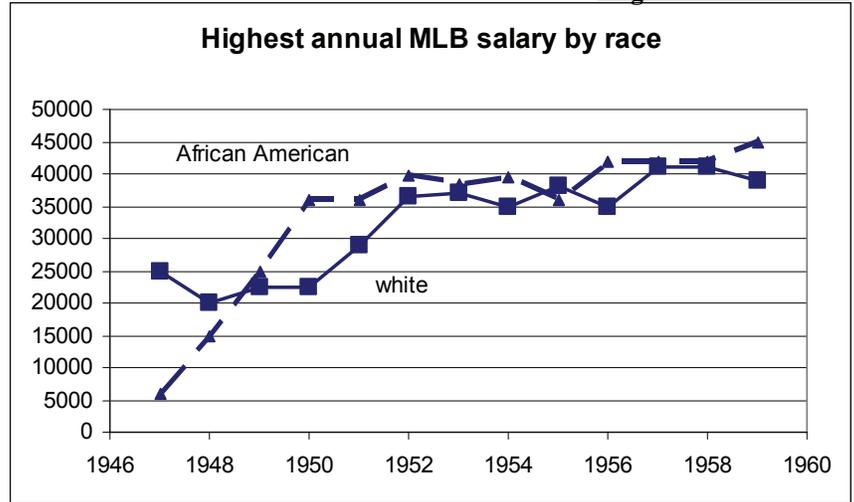
Relocation Quiz (Continued from page 5)

Figure 6

after integration. He made as much as \$1,422 with the Birmingham Barons in 1929 while in the prime of his career. In 1953 he earned \$25,000 from the St. Louis Browns – at the age of 47 no less.

**A CLOSER LOOK AT CONTRACTS**

While the early crop of Negro Leaguers did well with regard to salaries, there are other, non-monetary means by which they could have been discriminated against. For example, there were both monthly and annual contracts. Annual contracts were not guaranteed, as they are today. They featured a clause allowing the team to void a contract with only ten days notice. Despite their one-sided nature, they were better than the greater uncertainty of a monthly contract, which also featured lower pay. So, it was possible



Cleveland – his first MLB contract) this compares favorably to the paltry two white players (James Hook in 1957 and Ron Jackson in 1954, in both cases their first contract) who got multiyear pacts. Finally, Figure 6 suggests that the salaries of the top paid white

players did not dominate the top paid blacks. In fact, in most years of the sample the highest paid player was a refuge from the Negro Leagues.

|               | Sample size | Percent monthly | Percent with bonus clauses | Number multi-year |
|---------------|-------------|-----------------|----------------------------|-------------------|
| Black players | 314         | 13.4%           | 3.2%                       | 1                 |
| White players | 492         | 14.2%           | 1.6%                       | 2                 |

Source: Hauptert salary database

that while average salaries for blacks were competitive, monthly contracts could have been imposed on them in disproportionate numbers. Secondly, bonus clauses, while not as common as they are today, were added to some contracts. Were black players discriminated against by the awarding of more frequent bonuses for whites? Next, while rare, perhaps multiyear contracts were disproportionately awarded to whites? Finally, salary distribution needs to be considered. Were former Negro Leaguers paid well on average while the top earners lagged behind the top salaries paid to whites?

The answers to these questions can be found in Table 3, which lists summary data for contracts, and Figure 6, which shows the maximum salary in the sample by race. Black players were slightly less likely than whites to get monthly contracts, received bonus clauses twice as often, and while only one black player had a multiyear contract (Billy Harrell, 1955,

**CONCLUSION**

When segregation was the rule, black players earned only a fraction of what their white counterparts earned, in part because they could not generate as much revenue for their teams as could major leaguers. Once integration began, the lot of the black player improved remarkably – for those players who escaped the Negro Leagues and made it to MLB. As we have seen, the black ballplayer was always ahead of the game as far as his opportunity cost was concerned. More work remains to be completed to form a more robust analysis of the labor market during the period of reintegration of major league baseball. However, it seems clear already that being a ballplayer was a good profession, no matter the color of one’s skin.

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The Business of Baseball Committee co-chairs are Gary Gillette ([GGillette@247Baseball.com](mailto:GGillette@247Baseball.com)) and John Ruoff ([jruoff@bellsouth.net](mailto:jruoff@bellsouth.net)). Ruoff edits *Outside The Lines*.

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