

Electronic Documentation for

**“NBA Contracts And Recency Bias:
An Investigation into Irrationality in Performance Pay Markets”**

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The documentation for this thesis was prepared by Casey Fox. Richard Ball made minor revisions.

COMPONENTS OF THE DOCUMENTATION

The electronic documentation of this paper consists of 2 main folders: **Original Data and Metadata** and **Processing and Analysis**.

The “Original Data and Metadata” folder contains two subfolders: **Original Data** and **Metadata**.

The “Original Data” folder contains the original xlsx files with the data that was used for the thesis. See the document titled “Metadata Guide.pdf,” which is stored in the “Metadata” folder, for a description of these files.

The “Metadata” folder contains the document titled “Metadata Guide.pdf.” That document cites the sources of the original data files and describes their contents.

The “Metadata” folder also contains a subfolder called “Metadata Supplements.” This subfolder contains one document, titled winshare.pdf, which explains how the variable “win share,” one of the variables in the original data files, is calculated.

The “Processing and Analysis” folder contains two sub-folders: **idata** and **Command Files**.

The “idata” folder contains one slightly modified version of every xlsx file in the “Original Data” folder. The versions of the data files in the “idata” folder have been edited in minimal ways that facilitate importing the data into Stata, but that do not change the data they contain.

The “Command Files” folder consists of six do-files, written for Stata version 12, that execute the data processing and analysis undertaken for the thesis.

USING THE DOCUMENTATION TO REPLICATE THE RESULTS REPORTED IN THE THESIS

To replicate the results reported in the thesis:

- 1) Create a new folder on the computer you are working on, and give it the name “Replication.”
- 2) Copy the “idata” folder (with all of the data files it contains) from this documentation and save it in the top level of the “Replication” folder.

3) Copy the “Command Files” folder (with all of the do-files it contains) from this documentation and save it in the top level of the “Replication” folder.

4) Launch Stata, and set the working directory to the “Command Files” folder.

The “Command Files” folder will remain your working directory throughout the replication. The commands in the do-files that retrieve and save data files specify the directories they should be retrieved from or saved to relative to the “Command Files” folder.

5) Open and run the command file titled **import-contractdata.do**.

This do-file opens each of the yearly importable data files (stored in the “idata” folder in csv format) containing data on player contracts, makes some small modifications, and then saves them in .dta format.

The dta formatted files created by this do-file are saved in a folder called “cdata” which is created by a command in the import-contractdata.do file; the “cdata” folder will be located in the top level of the “Replication” folder.

6) Open and run the command file titled **import-regularstats.do**.

This do-file opens each of the yearly importable data files (stored in the “idata” folder in csv format) containing data on standard player performance statistics, makes some small modifications, and then saves them in .dta format.

The dta formatted files created by this do-file are saved in the “cdata” folder.

7) Open and run the command file titled **import-advancedstats.do**.

This do-file opens each of the yearly importable data files (stored in the “idata” folder in csv format) containing data on recently developed player performance statistics (in particular, win share), makes some small modifications, and then saves them in .dta format.

The dta-formatted files created by this do-file are saved in the “cdata” folder.

8) Open and run the command file titled **merge-contracts.do**.

This do-file combines all the dta-formatted created by the three previous do files to create two final datasets that will be used in the analysis, “finaldataseta.dta” and “finaldatasetb.dta.”

These final data files are saved in the “cdata” folder.

9) Open and run the command file titled **data-analysis.do**.

This files uses finaldataseta.dta and finaldatasetb.dta to generate all the statistical results reported in the thesis.

10) To reproduce the tables, figures and summary statistics presented in the Data Appendix of the thesis, open and run the command file titled **data-appendix.do**.