



Free Enterprise: A whole new ballgame

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Have you ever felt that an economist has thrown you a curveball? Or, perhaps, that an explanation (a pass lobbed by an economist) seems to go in the right direction but did not really connect with you?

In the maze of economic data that bombards us almost daily, and given the rapid pace of developments in the "great recession," one can easily get battered by economic indicators simultaneously suggesting recovery and further pain.

Unemployment numbers, housing market statistics, productivity measures - all of those can appear foreign and removed from one's daily experiences.

Luckily, from time to time economists come up with clever studies that hit closer to home - at least as far as national pastimes are concerned.

A recent NBER (National Bureau of Economic Research) working-paper by Chicago economist Steven D. Levitt (of "Freakonomics" fame, see also <http://www.freakonomicsbook.com/>) and Mozilla's (as in the Firefox Web browser) Kenneth Kovash does just that.

In "Professionals Do Not Play Minimax: Evidence from Major League Baseball and the National Football League," the authors continue a tradition by economists to apply their analysis of profit maximizing strategies on the field of play, which - some contend - is the purest form of competition.

Furthermore, many sports scenarios can easily be stated in terms of "zero-sum games." Those are competitive scenarios in which one side's gain, inevitably, is the other side's loss. That is, of course, not true for so called "win-win" game solutions, which are the domain of many arbitration scenarios or diplomatic encounters.

As has been pointed out, often and insistently, "win-win" games are common in business environments. However, it is also indisputable that "zero-sum" games have their place in analyzing many markets in which the survival of one business or business model frequently means the demise of another.

Apart from potential applications, however, these types of scientific investigations can be pure fun.

Levitt and Kovash present their results from crunching mega-numbers just in time for the baseball playoffs and well into the football season that still shows five teams as unbeaten. After analyzing more than 3.1 million pitches thrown in the major leagues from 2002-2006 (initially categorized as fastballs, cut fastballs, sliders, curveballs, changeups, split fingers, forkballs, knuckleballs, pitchouts, screwballs, sinkers and unknowns) as well as every play in the NFL for the years 2001-2005 (exactly 127,885 runs or passes), the authors conclude: "Pitchers appear to throw too many fastballs; football teams pass less than they should." This conclusion is based on a comparison of the data to a theoretically optimal game-play (the so called minimax predictions).

For sports aficionados and purists, it should be said that the very complex, statistical examination does include numerous variables for game-situation, probability of scoring, and also that certain plays (such as fourth-down plays and kneel-downs as well as quarterback sneaks) are excluded from the analysis.

So, what would be the effects - on average - of following the advice offered by the two authors?

Changing strategies to adhere closer to the optimum play selection "could be worth as many as two additional victories a year to a MLB franchise, and more than half a win per season for a professional football team."

That can add up to real money very quickly and also have an effect on the playoff picture. Just ask the Minnesota Twins.

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