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TEAM SUCCESS AND PERSONNEL ALLOCATION UNDER THE NATIONAL FOOTBALL LEAGUE SALARY CAP

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The salary cap structure of the NFL creates an especially interesting labor market. It fosters fierce managerial competition, facilitates the payment of billions of payroll dollars each season, and forces players to vie for a relatively limited amount of money. Because teams must spend below the salary cap each season, team personnel managers are constantly searching for trends and patterns inherent to NFL personnel allocation that will bring success to their team. I measure the relationship between spending on types of players e.g. different positions, superstars, higher paid players, etc. and team success, measured by wins, playoff appearances, and yardage. I employ regression to determine the effect of player type on the different measures of team success. I find that increasing spending on certain football positions and player types tends to increase a team’s ability to win. In other words, some types of players are more valuable assets than others.