

Race Effects on eBay

Ian Ayres (Yale Law School and NBER), Mahzarin Banaji (Harvard University), and
Christine Jolls (Yale Law School and NBER)

Differential treatment of members of different races has been observed in many markets, including through tester studies and studies in which names are varied on otherwise-identical resumes. Such differential treatment may result from race per se or from some behavior or attribute that is correlated with race or the signal -- such as a racialized name -- of race used in the study, and often it is difficult to know which. This study seeks to isolate the "bare" effect of race by examining sale prices for baseball cards we auctioned on eBay with the card up for auction being held by either a dark-skinned hand or a light-skinned hand. Because all transactions occurred on-line, buyers had no access to the types of seller information -- demeanor, socioeconomic background, and so forth -- that are observable in other studies of the effects of race on economic behavior. Consistent with the existing evidence from tester and resume studies, we find that cards sold by dark-skinned hands capture lower prices than cards sold by light-skinned hands.