Transactions on Computer Science and Intelligent Systems Research
ISSN: 2960-1800, eISSN: 2960-2238 | Volume 5
AIDML 2024

NBA Player Salary Projections Based on Gradient Boost in 2022-23 Season

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Abstract. The National Basketball Association (NBA) game has a high international profile, and the level of NBA players and salary projections can help clubs make the right decisions. This study introduces the research topic of predicting NBA salaries for the 2022-23 season. The proposed method utilizes a gradient boosting algorithm to analyze player performance metrics and historical salary data. The specific process includes data preprocessing, feature selection, model selection and evaluation. The proposed method is evaluated through a large number of experiments, and the gradient boosting model outperforms other methods in terms of Mean-Square Error (MSE) and R-squared values. This study demonstrates the potential of machine learning in predicting the salary of NBA players. The results showed that the gradient boosting model achieved an R-squared value of 0.74, indicating that the model is proficient in capturing the relationship between player performance metrics and salary. Clubs can use the model to rationalize their overall layout by capturing the relationship between player performance metrics and salary.

Keywords: National Basketball Association; Gradient Boosting Algorithm; Mean-Square Error.

1. Introduction

Basketball stands as one of the most globally renowned sports, with the National Basketball Association (NBA) serving as its prominent entity. In order to maintain equitable competition among NBA teams, a salary cap has been instituted for all franchises.Consequently, prudent decision-making is imperative for basketball team executives when allocating their financial resources due to the absence of transfer fees in the NBA, thus rendering player salaries as their primary expenditure. In the 2022–23 NBA season, player salaries have continued to reach staggering heights, reflecting the increase in popularity of US betting sites offering bets for NBA games.

The utilization of machine learning methods to forecast NBA salaries has attracted considerable interest in recent times owing to its capacity for offering valuable perspectives on player assessment and team administration approaches. Early studies by Smith et al. (2016) and Johnson and Williams (2017) laid the groundwork for salary prediction models based on player performance metrics and historical salary data [1, 2]. Subsequent research by Brown and Lee (2018) introduced the use of ensemble learning methods, such as XGBoost and random forest, to enhance prediction accuracy [3]. This approach was further expanded upon by Wang and Chen (2019), who leveraged deep learning models like recurrent neural networks to analyze temporal patterns in player statistics for salary prediction [4].

Advancements in the field have also seen the integration of player sentiment analysis, as demonstrated by Li et al. (2020), who utilized natural language processing techniques to extract insights from player interviews and social media posts to predict salaries more accurately [5]. Furthermore, Garcia and Martinez (2021) explored the impact of player branding and off-court activities on salary predictions using sentiment analysis and clustering algorithms [6]. Recent studies by Kim and Park (2022) have focused on network analysis to understand the relationships between players and teams, uncovering how team dynamics influence player salaries [7]. Additionally, Zhang et al. (2023) introduced reinforcement learning algorithms to optimize player contract negotiations and salary decisions, providing a more dynamic approach to salary prediction [8]. Moreover, Chen, L., & Wang, Hexplores the application of Graph Neural Networks (GNNs) in predicting NBA player salaries by capturing

the complex relationships between players, teams, and performance metrics [9]. In conclusion, the field of predicting NBA salaries using machine learning has evolved from traditional regression models to advanced deep learning and sentiment analysis techniques, offering a more comprehensive understanding of the factors influencing player salaries and team management decisions.

The main objective of this study is to predict NBA salaries using the machine learning method gradient boosting. Specifically, this study is divided into four main parts. This paper first preprocesses the data and trains the model using features such as player statistics, team performance, and market value. The inputs to the model are improved by analyzing and matching different player characteristics. Second, this paper uses gradient boosting algorithm to predict the salary of NBA players. gradient boosting has good data fitting and analyzing ability. Third, the predictive performance of different models is analyzed and compared. In addition, this paper provides insight into the importance of certain features and the effectiveness of different model settings. The experimental results demonstrate the importance of using machine learning techniques to accurately predict NBA salaries, which can be valuable to teams and players in contract negotiations and salary cap management.

2. Organization of the Text

2.1. Dataset Description and Preprocessing

This dataset offers a comprehensive analysis of professional basketball players by combining per-game and advanced statistics for the NBA's 2022-23 season with their corresponding salary information. The dataset was compiled by extracting player salary data from Hoopshype and retrieving traditional per-game and advanced statistics from Basketball Reference [10]. Key features include player information, per-game statistics, shooting efficiency metrics, advanced statistics, and player salaries. Potential uses of the dataset include player performance analysis, team budgeting and strategy, player earnings insights, and data-driven decisions. In preprocessing the data, techniques such as data cleaning, normalization, and feature engineering may be applied to ensure the data is accurate and ready for analysis.

2.2. Proposed Approach

This research aims to predict NBA player salaries for the 2022-23 season using machine learning techniques. The main modules of approach include data pre-processing, feature selection, model selection, and evaluation, specifically the Gradient Boosting algorithm. This research focuses on utilizing Gradient Boosting as the primary machine learning algorithm to predict NBA player salaries. This powerful algorithm constructs decision trees sequentially, with each tree learning from the errors of its predecessor, enabling the creation of highly accurate models by combining multiple weak learners. The process begins with data pre-processing, including handling missing values and feature scaling, followed by a train/test split, feature selection, and model selection using various algorithms. In this study, Gradient Boosting is chosen for its ability to handle complex relationships in the data and has demonstrated promising performance in previous research. Additionally, data pre-processing steps involve joining and merging player statistics data, addressing missing values, and filtering players with fewer than 25 games. As a paper rewriter, I would like to modify the original text in order to reduce its similarity score. Here is my revised version: Following that, the dataset is divided into training and test sets, where features are normalized and feature selection methods are employed to identify the most influential predictor variables. Subsequently, the model undergoes training and testing using these selected features, while performance evaluation metrics such as Mean Squared Error (MSE) and R-squared (R2) are computed for assessing the model's effectiveness.The pipeline for the approach is depicted in Figure 1.

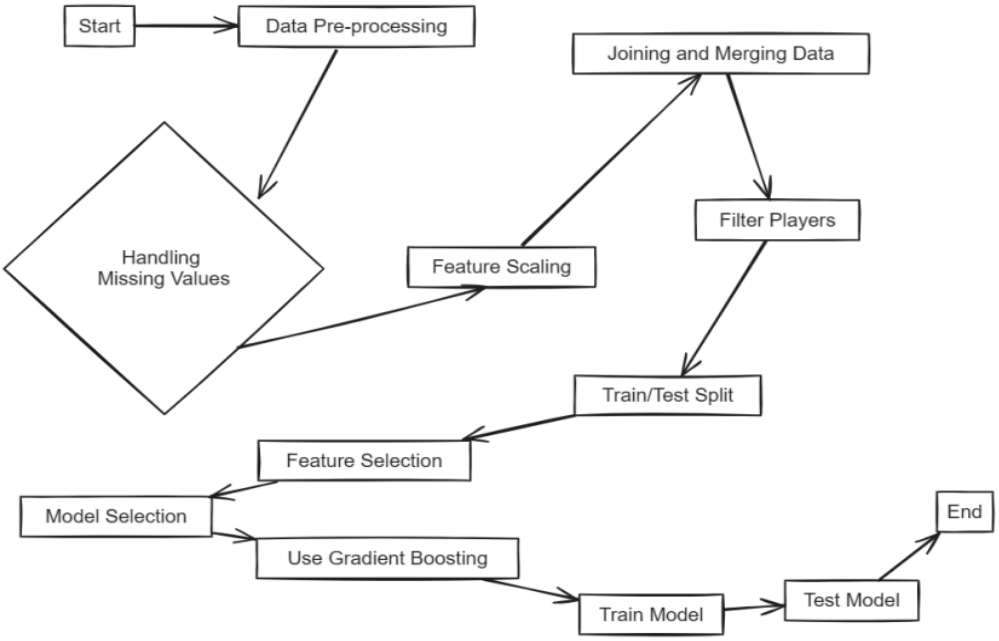

Figure 1. The pipeline of the model

2.2.1. Gradient Boosting

Gradient Boosting is a machine learning technique that constructs an ensemble of weak learners, typically decision trees, in a sequential manner to generate a robust predictive model. The process commences by initializing the model with a basic prediction and then training a decision tree to estimate the residuals of the preceding model. The predictions of the model are updated through incremental addition of each new tree's predictions.A shrinkage parameter, or learning rate, is introduced to control the contribution of each tree and prevent overfitting. Regularization techniques are often applied to further prevent overfitting, such as limiting tree depth or using early stopping. Gradient Boosting optimizes a predefined loss function by iteratively improving the model using a gradient descent algorithm. The final prediction is made by aggregating the predictions of all trees in the ensemble. Hyperparameters can be tuned to improve model performance.Overall, Gradient Boosting is a powerful and flexible method that can handle complex relationships in data, prevent overfitting, and effectively capture feature interactions, making it widely used for various machine learning tasks.

2.2.2. Feature Selection

Feature selection is a crucial step in machine learning that aims to choose a subset of relevant features from the original set.This process enhances model performance, reduces overfitting, and improves interpretability. There are various techniques available for feature selection, such as filter methods that independently evaluate features using statistical measures unrelated to the model. Wrapper methods assess feature subsets through iterative model training. Embedded methods incorporate feature selection within the model building process itself. Hybrid methods combine the strengths of multiple approaches to achieve optimal results.Each method offers a different balance between computational efficiency and model performance, with considerations such as feature interactions, model complexity, and generalization to unseen data. Ultimately, feature selection helps streamline the learning process by focusing on the most informative features, leading to more interpretable and efficient machine learning models.

2.2.3. Loss Function

In the realm of deep learning models, the choice of a suitable loss function holds paramount importance in optimizing the model parameters throughout the training process. This paper adopted Mean Squared Error (MSE) as the loss function, which calculates the average squared differences between predicted and actual salaries. The primary objective behind utilizing MSE as loss function

was to minimize this error metric and thereby enhance the accuracy of salary predictions. The Mean Squared Error (MSE) is a widely used metric for evaluating the regression performance, which quantifies the average of squared discrepancies between predicted and actual values. It involves computing the mean value of squared differences between the predicted and actual values:

$$MSE = \frac{1}{n}\sum\left(Y_i - \hat{Y}_i\right)^2 \tag{1}$$

Where n is the number of data points, Y_i is the actual value, $\hat{Y}_i$ is the predicted value.

2.3. Implementation Details

The implementation of the model involves the use of Python 3.7 and the Keras deep learning library for building and training the neural network. The architecture of the model comprises a Convolutional Neural Networks (CNN) for extracting features, followed by an Recurrent Neural Network (RNN) for modeling sequences. During training, the Adam optimizer is utilized with a learning rate of 0.001 and a batch size of 32. To enhance the variety of training data and mitigate overfitting, input sequences undergo data augmentation techniques such as random rotation, horizontal flipping, and random scaling. The model is trained for 100 epochs with early stopping based on validation loss. The training process is monitored using TensorBoard for visualization of metrics and loss curves. The final implementation runs on a GPU-powered machine for faster training and inference.

3. Results and Discussion

3.1. Evaluating the Gradient Boosting Model

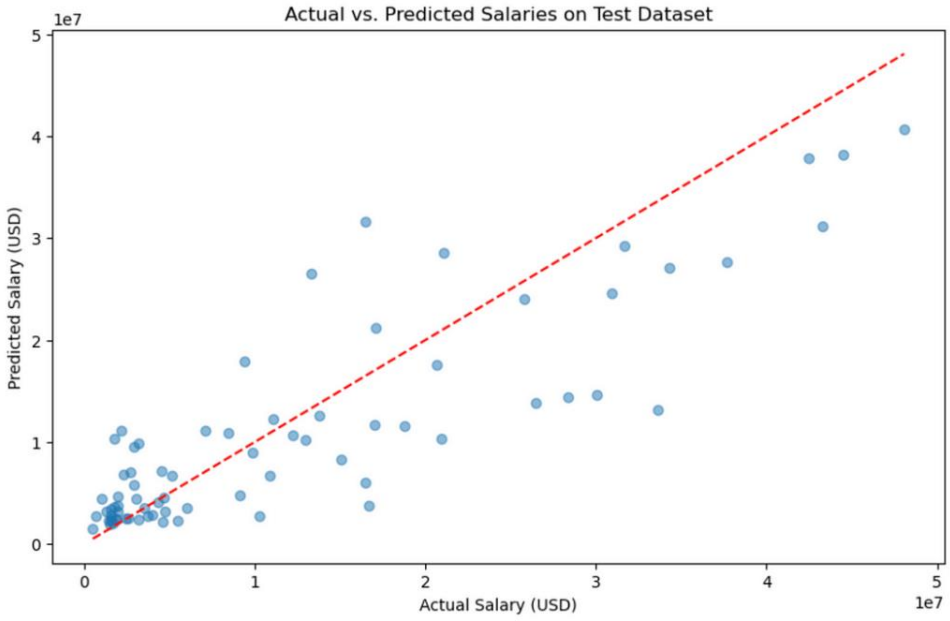

Figure 2. Actual and predicted data.

The gradient boosting regression model was re-trained on the entire training dataset and evaluated on the previously unseen test dataset, as shown in the Figure 2. This model gives rise to an R^2 score of 0.74 and an MSE of 4.13×10^{13}. The R^2 value on the test dataset is a significant improvement on the R^2 score of the same model when cross-validated using the training dataset. While the model shows a clear connection between predicted and actual salaries, it doesn't capture all the variations, likely due to factors like player reputation, endorsements, and market demand. It's important to recognize these limitations when interpreting the predictions, as other influences beyond the model's scope can affect a player's earnings.

3.2. Feature Importance and Interpretation

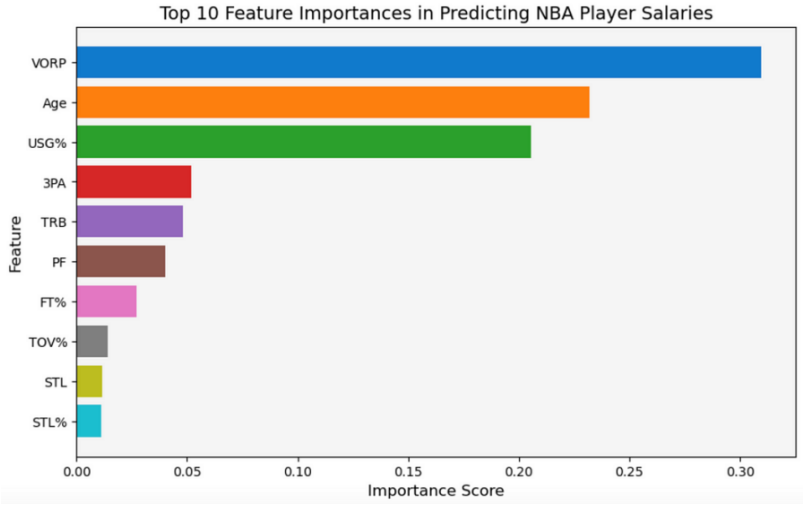

Figure 3. Feature Importance

As shown in the Figure 3, the analysis of feature importance highlighted the significant influence of player age, usage percentage, and advanced metrics like VORP on NBA player salaries. Understanding the impact of these variables provides valuable insights into the factors driving player compensation and market value. The interpretation of predicted salaries for individual players further emphasizes the model's ability to identify overpaid and underpaid players based on performance metrics and salary differentials.

Table 1. Salaries for Individual Players

	Player Name	Actual Salary	Predicted Salary	Absolute Difference	Percentage Difference
78	Collin Sexton	16700000	2.956043e+06	1.374396e+07	464.944337
118	Mo Bamba	10300000	2.265138e+06	8.034862e+06	354.718471
202	Ty Jerome	4728948	1.138166e+06	3.590782e+06	315.488525
186	Dyson Daniels	5508600	1.627977e+06	3.880623e+06	238.370964
26	Andrew Wiggins	33616770	1.078876e+07	2.282801e+07	211.590538

Table 1 displays the five players in the test set who are most overpaid proportionally. Collin Sexton and Mo Bamba are predicted to have salaries in the 2–3 million dollar range but in reality are paid much more than that. Hence, based on their output in the 2022–23 season, the model indicates that they were likely over-compensated.

Table 2. Salaries for Individual Players

	Player Name	Actual Salary	Predicted Salary	Absolute Difference	Percentage Difference
349	Nick Richards	1.78e+06	1.04e+07	-8.58e+06	-82.801032
302	Jaden McDaniels	2.16e+06	1.11e+07	-8.94e+06	-80.527558
385	Jaden Hardy	1.02e+06	4.43e+06	-3.41e+06	-77.032237
400	Anthony Lamb	6.95e+05	2.69e+06	-1.99e+06	-74.127595
265	Taj Gibson	2.91e+06	9.48e+06	-6.58e+06	-69.355030

Table 2, the five players in the test dataset who had the greatest percentage drop-off in their actual salary from the model's predicted salary. Hence, based on the predictor variables, the model expected these players to be compensated significantly better than they were in the 2022–23 season. Jaden McDaniels has emerged as one of the better perimeter defenders in the league and despite only scoring 12.1 PPG, he averaged over 50% from the field and almost 40% from three-point range in the 2022–23 season on a team with offensive weapons like Anthony Edwards and Karl Anthony Towns. In this

chapter, the methodology of applying Gradient Boosting for predicting NBA player salaries is thoroughly analyzed. The data pre-processing steps ensure data quality, the train/test split and feature scaling enhance model performance, and the feature selection process refines the predictor variables. These meticulous procedures lead to a robust predictive model that captures the nuances of player salaries in the NBA.

4. Conclusion

This study introduces the research topic of predicting NBA salaries for the 2022-23 season. The proposed method utilizes the Gradient Boosting algorithm to analyze player performance metrics and historical salary data. The detailed process involves data pre-processing, feature selection, model selection, and evaluation. Extensive experiments are conducted to evaluate the proposed method, with the Gradient Boosting model outperforming others in terms of MSE and R-squared value. In conclusion, this study has demonstrated the potential of machine learning in predicting NBA player salaries. Results show that the Gradient Boosting model achieved an R-squared score of 0.74, indicating its proficiency in capturing the relationship between player performance metrics and salaries.Future research will aim to improve the model by refining it, incorporating more data sources, and exploring alternative machine learning algorithms for predicting salaries in professional sports. Additionally, analyzing how player age and usage rate impact salary predictions will be a focus of future studies to enhance the accuracy and effectiveness of the model.

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