ECON U481  
Economics of Sports

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Description: Sports are not only a major source of entertainment in this country, but also a very big business. This course investigates what economics has to say about sports as an economic activity: what tools of economic analysis apply to sports, whether sports are unique in some respects that require different analytical tools, what the evidence has to say about key questions. The focus of the course is on professional team sports, although some attention is also paid to college sports and to individual professional sports.

Required readings: There is one text for this course:  
Fort, Sports Economics, 2/e (2006)  
All other readings have been assembled into a course pack available for purchase from Gnomon Press.

Grading: There will be two in-class exams during the semester, the first on February 13 covering Sections 1-5 of the reading list, and the second on March 27 covering Sections 6-10. Each is worth 25 percent of your grade. The final is worth 40 percent. Various other assignments (to be described) count for the remaining 10 percent. Unexcused absences from exams or tardiness in handing in assignments will result in an F for that grade. Violations of university honor code will be dealt with strictly.

Blackboard: Blackboard will be used to alert you to any changes in schedule or readings. Other assignments and materials may also be posted there. You will be responsible for all announcements and materials on Blackboard.
Course Schedule and Reading Assignments

OVERVIEW
1. Economics of Team Sports (1)
   Fort, ch. 1

DEMAND, SUPPLY, AND BALANCE
2. Ticket Demand and Prices (2)
   Fort, ch. 2
   Scully, “Fans’ Demand for Winning”
   Knowles, et al, “The Demand for Major League Baseball”
   Kwoka, “Root, Root, Root, for the Home Team,” Northeastern Alumni Magazine
   Notes on methodology: “Statistical Tools”

3. Ticket Prices: Sellouts and Scalping (2)
   Krueger, “An Economist Goes to the Super Bowl”
   DeSerpa, “To Err Is Rational”
   Happel and Jennings, “The Folly of Anti-Scalping Laws”
   Williams, “Do Anti-Scalping Laws Make a Difference?”

4. Salary Determination: The Basics (2)
   Fort, ch. 7, pp. 206-228
   ch. 8, pp. 256-271
   Scully, “Are Club Owners Colluding to Suppress Free Agency?”
   Kahn, “The Sports Business as a Labor Market Laboratory,” pp. 75-83

5. Salary Determination: The Practice (2)
   Fort, ch. 6, pp. 201-220
   ch. 7, pp. 229-237
   Johnson and Harrington, “The Jordan Effect”
   Kahn, “Discrimination in Baseball”

6. Competitive Balance (2)
   Fort, ch. 5, pp. 133-140
   ch. 6
   ch. 8, pp. 271-284
   Staudehar, “Salary Caps in Professional Team Sports”
TEAMS, LEAGUES, AND STADIUMS

7. Team Finances (2)
   Fort, ch. 3
   ch. 4
   ch. 12, pp. 418-425
   Scully, “Profits, Capital Appreciation, and the Duration of Ownership”

8. Antitrust and Competition (1)
   Fort, ch. 12, pp. 425-437, 441-449
   Roberts, “The Case for Baseball’s Special Antitrust Immunity”
   Ross, “Antitrust, Professional Sports, and the Public Interest”

9. Expansion, Relocation, and Contraction (1)
   Fort, ch. 5, pp. 141-158

10. Stadiums and Subsidies (2)
    Fort, ch. 10
    Siegfried and Zimbalist, “The Economics of Sports Facilities and Their Communities”

COLLEGE SPORTS, ETC.

11. College Sports: The Business (2)
    Fort, ch. 13, pp. 456-470, 488-509
    Noll, “The Business of College Sports”
    Sheehan, “Academics, Athletics, and Financing”

12. College Sports: Other Issues (2)
    Fort, ch. 13, pp. 509-515
    Turner et al, “Winning and Giving”
    Zimbalist, “Gender Equity”

13. Momentum and Streaks (1)
    Gilovich et al, “Hot Hand in Basketball”
    Fort and Rosenman, “Streak Management”

14. Best Player, Best Manager, Best GM (1)
    Silver, “Is Barry Bonds Better Than Babe Ruth?”
    Click, “Is Joe Torre a Hall of Fame Manager?”
    Lewis, “The Trading Desk”

15. Drug Use (1)