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:
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, each worth 25 percent of your grade. They will be held on Feb. 5 (through Section 4 of the reading list) and on March 18 (Sections 5-9). The final is worth 40 percent and 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 PRICES
2. Ticket Demand and Prices (2)
   Fort, ch. 2
   Scully, “Fans’ Demand for Winning”
   Knowles, et al, “The Demand for Major League Baseball”
   Notes on methodology: “Statistical Tools”

3. Ticket Prices: Sellouts and Scalping (2)
   Krueger, “An Economist Goes to the Super Bowl”
   Salant, “Price Setting in Professional Team Sports”
   DeSerpa, “To Err Is Rational”
   Happel and Jennings, “The Folly of Anti-Scalping Laws”

4. Salary Determination: The Basics (2)
   Fort, ch. 6, pp. 177-201
   Hylan et al, “Did Collusion Adversely Affect Outcomes in the Baseball Players’ Labor Market?”

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

TEAMS AND LEAGUES
6. Television Rights and Revenues (1)
   Fort, ch. 3

7. Team Finances (2)
   Fort, ch. 4
   ch. 11, pp. 377-380

8. Leagues and Competitive Balance (2)
   Fort, ch. 5, pp. 128-135, 145-172
   Quirk and Fort, Hard Ball, “Leagues”
   Staudohar, “Salary Caps in Professional Team Sports”
   Sanderson and Siegfried, “Thinking About Competitive Balance”
9. Expansion, Relocation, and Contraction (1)
   Fort, ch. 5, pp. 135-145
   Quirk and Fort, Pay Dirt, “Rival Leagues and League Expansion”
   Fisher et al, “The Relocation of the Los Angeles Rams to St. Louis,” in Kwoka-White,
   The Antitrust Revolution, 4/e
   Noll, “The Economics of Baseball Contraction”

COLLEGE SPORTS
10. College Sports: The Basics (2)
    Fort, ch. 12
    Noll, “The Business of College Sports”
    Zimbalist, Unpaid Professionals, ch. 2 on “Gender Equity”

11. College Sports: The Money (1)
    Sheehan, “Academics, Athletics, and Financing”
    Grimes and Chryssanthis, “Alumni Contributions to Academics”
    Bremmer and Kesselring, “The Advertising Effect of University Athletic Success”
    Gerdy, “Facing Up to the Conflict Between Athletics and Academics”

OTHER TOPICS
12. Subsidies, Stadiums, and Sports Towns (1)
    Fort, ch. 9
    Kwoka et al, “Fan Loyalty and Great Sports Towns”

13. Momentum and Streaks (1)
    Scully, “Of Winners and Losers: Momentum in Sports”
    Gilovich et al, “Hot Hand in Basketball”
    Fort and Rosenman, “Streak Management”

14. Competition and Antitrust (2)
    Fort, ch. 11, pp. 380-407
    Roberts, “The Case for Baseball’s Special Antitrust Immunity”
    Ross, “Antitrust, Professional Sports, and the Public Interest”