



**NYU | STERN**

## **Sports Economics**

**Simon Bowmaker**

**Spring 2016**

Tuesday  
1.30 pm - 4:20 pm  
KMEC, 3-65

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### **Description, Scope, and Objectives**

This MBA elective course applies microeconomic analysis to professional and amateur sports. Appropriate examination of sports economics requires coverage of advanced fields of specialization within economics. These include industrial organization, labor economics, and public finance. Ultimately, the principal objective of the course is for students to have a more complete understanding of the economic issues affecting the world of sports. You will be able to comment intelligently on economic issues of sports that appear in the news media, such as the impact of the draft system, as well as assess and critique the opinions offered by journalists on, for example, the pay and performance of professional athletes. This is a unique opportunity to understand why there has been a recent explosion in economists looking both at the market of sports and using sports data to explain or test theories about the wider business world.

### **Textbook**

The recommended textbook is *The Economics of Sports*, by Michael Leeds and Peter von Allmen (5<sup>th</sup> edition).

### **Course Assessment**

The course assessment is as follows:

Class participation	15%
Group presentation	20%
Midterm (Tuesday, March 1)	30%
Final (Tuesday, May 3)	35%

For the midterm and final, each participant is permitted to bring one sheet of paper (8½ by 11 inches) with notes on both sides, to refer to during the exam.

### **Class Participation**

Class participation will be evaluated on the basis of contributions to class discussions. In the evaluation, quality is more important than quantity. In addition, the evaluation of class participation could be affected adversely by lack of attendance or creating negative classroom externalities.

### **Group Presentations**

Everyone will take part in a group presentation (4-5 people per group) that applies course concepts to a current issue in sports. You will be provided with appropriate guidance in due course.

### **Responsibilities**

We are all adults.

- As the teacher I have the *responsibility* to organize and present the material and to facilitate your learning.
- As a student you have *responsibility* for your own learning.
- You are responsible for complying with Stern's Honor Code. The Honor Code requires each student to act with integrity in all academic activities and to hold his or her peers to the same standard. No lying, cheating, or plagiarism of published work, work posted on the web, or work done by other students will be tolerated. Any suspected cases will be referred to the School's student discipline committee.
- Actions that have negative effects on others will not be tolerated in the classroom. If you must arrive late or leave early, you must do so as quietly as possible. Laptops, cell phones, smartphones and other electronic devices are a disturbance to both students and professors. All electronic devices must be turned off prior to the start of each class meeting.

### **Course Website**

I will maintain a website for the course using NYU Classes. The website will include announcements and downloadable files with all the class handouts.

### **Office Hours**

My office hours are Mondays and Wednesdays between 3.30 pm and 4.30 pm, or by appointment. Please note that there is no Teaching Fellow for this course.

## **Tentative Course Schedule and Readings**

### **Tuesday, February 2 - Introduction and the Economic Role of a Sports League**

L&VA, pp. 3-4, 90-98

### **Tuesday, February 9 - Sports Franchises as Profit-Maximizing Firms**

L&VA, pp. 63-86, 102-109

### **Tuesday, February 16 - Competitive Balance**

L&VA, pp. 151-174

### **Tuesday, February 23 - Public Finance of Sports: Who Benefits and How, I?**

L&VA, pp. 183-199

### **Tuesday, March 1 - Public Finance of Sports: Who Benefits and How, II?**

#### **Midterm in second half of class**

L&VA, pp. 199-208, 211-214

### **Tuesday, March 8 - Public Finance of Sports: Who Pays and Why?**

L&VA, pp. 219-245

#### **Guest speaker in second half of class: David Becker, Inner Circle Sports**

### **Tuesday, March 22 - Economics of Cricket and Formula 1 Motor Racing**

Handouts to be provided

**Tuesday, March 29 - Introduction to Labor Markets in Professional Sports**

L&VA, pp. 251-265

**Group presentations in second half of class**

**Tuesday, April 5 - Economics of Tournaments and Superstars**

L&VA, pp. 265-278

**Group presentations in second half of class**

**Tuesday, April 12 - Labor Market Imperfections**

L&VA, pp. 289-304, 311-319

**Guest speaker in second half of class: Charles Grantham, sports consultant and former Executive Director of National Basketball Players Association**

**Tuesday, April 19 - Moneyball**

L&VA, pp. 174-175

**Group presentations in second half of class**

**Tuesday, April 26 - College Sports**

L&VA, pp. 136-142, 359-397

**Group presentations in second half of class**

**Tuesday, May 3 - Course Wrap-up + Final Exam**