**Course Description:** This applied economics course explores various aspects of the economics of sports and sports leagues, with a major focus on empirical analysis. We will consider a number of topics, including:

- the business and economics of professional team sports and sports broadcasting,
- analysis of leagues’ competitive balance policies,
- player relations issues including analysis of the drivers of players’ salaries,
- the public finance aspects of professional sports teams and stadium financing, and
- relevant issues in collegiate sports.

This is not a sports history or trivia class.

**Prerequisites:** Intermediate Microeconomics (EC201 or EC203) and Econometrics (EC228 and/or EC327). Students are expected to know how to run simple econometric models (OLS), and to be comfortable with interpreting regression results.

This course makes extensive use of Excel. You should not take this course if you do not have strong Excel skills. To brush up on your Excel skills, you might look at the materials assembled by the ITS department: [http://www.bc.edu/offices/cst/tandc/training/course_materials.html](http://www.bc.edu/offices/cst/tandc/training/course_materials.html). Statistical languages such as Stata, SPSS or SAS are not required, but will be helpful.


**BlackboardVista:** Everything distributed in class will eventually be posted on the course’s BlackboardVista site. In addition you’ll find a large amount of data and additional material posted there. Let me know if you have trouble accessing that material.

**Academic Integrity:** You will be held to Boston College’s standards of academic integrity. If you have any questions as to what that means, please go to [http://www.bc.edu/integrity](http://www.bc.edu/integrity).

**Grading Breakdown:**

- 48%: Six Empirical Exercises (@ 8% each)
- 40%: Term Paper
- 8%: Research Prospectus
- 4%: Tuesday Talks

*There are no exams in this course.*
Exercises: The course is built around a set of six empirical exercises, which each count towards 8% of your course grade (for a total of 48%). These will typically (but not always) be team assignments (with 3-4 students per team) and will be graded. I will assign the teams, which will change from Exercise to Exercise. Students will usually have two weeks to complete an Exercise; beginning to work on an Exercise in week #2 is a really bad idea. In many cases, there are faster and slower ways to complete the Exercise. Let me know if progress is painfully slow, and I’ll be happy to make suggestions to help speed things up.

The semester basically divides into two parts: On even weeks, we’ll be working through the Fort text, and on odd weeks we’ll be focused on the Exercises. Exercises will have a preliminary due date on Tuesdays, and a final due date on Thursdays. Teams will have designated spokespersons, who will be expected to present and discuss each team’s findings on Thursdays. No late work accepted. If we do not get through as many Exercises as anticipated, the course grade weights may be changed. Final grades on Exercises are curved.

Term Papers: The term paper is an empirical project and counts towards 40% of your course grade. Term papers should have six parts:

- Introduction (description of topic and summary of results)
- Brief literature review
- Description of model and nature of analysis
- Discussion of data
- Presentation of results
- Conclusion

There is no page requirement, though it is hard to do a good job covering all of these dimensions of the assignment without writing at least 12-15 pages. Empirical work is slow going. Be sure to leave yourself enough time to complete the assignment to your satisfaction.

Term papers submitted by April 19th will be graded and returned on Tuesday Apr 26th. Students may then revise these papers if they wish. All term papers are due by May 5th, the last class in the semester.

This is an Economics course. Papers that are merely sabermetric exercises will not receive a grade above B+. (A good rule of thumb: if your paper features a “$” sign, or is based on a publication in an Economics journal, then it is probably not a mere sabermetrics exercise.)

Research Prospectus: These should have three parts:

- Introduction (description of topic and why it is of interest)
- Brief literature review (the Journal of Sports Economics and Journal of Quantitative Analysis in Sports will be useful, as will the books and links listed at the end of this Syllabus)
- Discussion of the data that you will be working with, and the hypotheses that you will be testing.

There is no page minimum, though I suspect you’ll need at least five pages to adequately cover the material. Research Prospecti are due Mar 3rd, and will be presented by students to the class after Spring Break, on Mar 15th (short presentations lasting about 5 minutes each).
The Fort Text: The Fort text provides the basic structure and foundation for the course. We will be working through the different chapters of the text as we progress through the course. Students are expected to keep up with the reading. I hope to get through at least the first eight Chapters. If we go further into the text, we will skip Chapters 11 (The Stadium Mess) and 12 (Taxes, Antitrust and Competition Policy), and the detailed histories of labor relations in the different major sports leagues (Chapter 9). If we get too far behind in the Fort text, I may use some of the Tuesday Exercise time to catch up.

Tuesday (Thursday?) Talks: These will typically take place at the start of class every Tuesday (if we need more slots, we’ll add some Thursday presentations). We’ll devote the first 10 minutes or so of class time to a discussion of a current relevant issue. The discussion will be led by a team of two students (team assignments will be distributed on Thursday Jan 27th). The team leading the discussion may want to prepare a brief set of “talking points” to guide and focus the discussion. To provide a sense of how this might work, I’ll do the first two presentations on Thursday, Jan 20th and Tuesday, Jan 25th.

Review of Important Dates:
- Thursday, Feb 10th: Presentation (brief) of term paper topics
- Thursday, Mar 3rd: Term paper prospecti due
- Tuesday, Mar 15th: Term paper prospecti presentations
- Tuesday, April 19th: Optional: term papers submitted for grading and comments
- Tuesday, May 3rd and Thursday, May 5th: Term paper presentations
- Thursday, May 5th: Term papers due

Preliminary calendar:

1. Week 1: Jan 18th and 20th
   - Syllabus, Thurs Topic (Maxwell), Fort 1
   - Distribute Exercise 1: The Sports League Challenge (Competitive balance 1)
     This Exercise will run over the course of the semester. In this Challenge (which is closely related to Chapter 6 of the Fort text) you’ll be evaluating the efficacy of various measures that sports leagues have adopted to promote competitive balance, including revenue sharing, luxury taxes, salary caps, reverse order of finish drafts, and so forth. For more information, go to http://www.cmaxxsports.com/challenge/challenge.html.
   - Distribute Exercise 2: Pythagorean Theorem (MLB) (Econometrics 101)
     This Exercise is primarily intended to get students back up to speed with regression analysis. Students will work individually on this Exercise; I will provide you with most of the necessary data.

2. Week 2: Jan 25th and 27th
   - Tues Topic (Maxwell), Fort 2
Boston College
EC 370: Sports Economics

3. Week 3: Feb 1st and 3rd
   - Tuesday Topics (students)
   - Discuss Exercise 2: Pythagorean Theorem
   - Distribute Exercise 3: Ticket Price Model (NFL) (Market demand I)
     Working in teams, students will build ticket price econometric models to better understand what factors have driven ticket prices for NFL teams in the past decade. While I will provide you with a good bit of data for this Exercise, you will be expected to bring additional data to your analysis.
   - Start Fort 3 with focus on the Super Bowl (which is scheduled for Feb 6th)

4. Week 4: Feb 8th and 10th
   - Tuesday Topics (students), finish Fort 3, start Fort 4
   - Thursday: Presentation of term paper topics (brief: 3 mins max)

5. Week 5: Feb 15th and 17th
   - Tuesday Topics (students)
   - Discuss Exercise 3: Ticket Price Model
   - Distribute Exercise 4: The Average Fan Model (MLB) (Market demand II)
     There are two phases to this Exercise. In the first phase, you’ll be building a theoretical microeconomics model that explicitly addresses the impact of population on local prices and revenues as well as league-wide competitive balance. In the second part of the Exercise, you’ll be testing the results from Phase I with MLB data. I will provide you with most of the data that you’ll be using in this Exercise.

6. Week 6: Feb 22nd and 24th
   - Tuesday Topics (students), finish Fort 4

7. Week 7: Mar 1st and 3rd
   - Tuesday Topics (students)
   - Term paper prospectus (due Mar 3rd)
   - Discuss Exercise 4: The Average Fan Model
   - Note: Exercise 5 will be distributed after Spring Break

Spring Break

8. Week 8: Mar 15th and 17th
   - Tuesday Topics (students), Fort 7 (we’ll come back to 5 and 6)
   - Term paper prospectus presentations (Mar 15th)
Boston College
EC 370: Sports Economics

- Distribute **Exercise 5: Revenue and Player Pay-Performance** (NBA) (Labor Economics 101)
  In this team Exercise, you’ll be building pay-performance models *a la* Scully (1974) for the NBA, looking at the factors that drive compensation. A fun part of this Exercise will be our assessments of the ten most over-paid and under-paid players in the NBA. I will provide you with most of the data that you’ll be using in this Exercise.

  9. Week 9: Mar 22nd and 24th
     - Tuesday Topics (students), finish Fort 7, start Fort 8

  10. Week 10: Mar 29th and 31st
      - Tuesday Topics (students)
      - Discuss **Exercise 5: Revenue and Player Pay-Performance**
      - Distribute **Exercise 6: Parity and Payroll & Revenue Imbalance** (NAPSLs) (Competitive balance II)
        In this final team Exercise, you’ll be comparing competitive balance as well as payroll and revenue imbalance both across the four major NAPSLs (North American Professional Sports Leagues) (MLB, NBA, NFL and NHL) and as well over time. I will provide you with all of the data that you’ll be using in this Exercise.

  11. Week 11: Apr 5th and 7th
      - Tuesday Topics (students), finish Fort 8, start Fort 6

  12. Week 12: Apr 12th and 14th
      - Tuesday Topics (students), finish Fort 6, start Fort 5
      - Discuss **Exercise 6: Parity and Payroll & Revenue Imbalance**

  13. Week 13: Apr 19th
      - Tuesday Topics (students), finish Fort 5, start Fort 10?
      - **Optional**: Term papers submitted for comments and preliminary grade

**Easter Break**

  14. Week 14: Apr 26th and 28th
      - Tuesday Topics (students), finish Fort 10?, start Fort 13?
      - Discuss **Exercise 1: Sports League Challenge**
      - Start term paper presentations

  15. Week 15: May 3rd and 5th
      - Tuesday Topics (students)
      - Term paper presentations
      - Term papers due May 5th
Additional Resources

A. Websites: to name a few (you will find the first two especially useful)

- John Vrooman: http://www.vanderbilt.edu/Econ/faculty/Vrooman/sports.htm
- Multi-author blog: www.thesportseconomist.com
- Sports Business Daily: www.sportsbusinessdaily.com (expensive but informative; two week trial subscription; student rates (still expensive); the library is looking into acquiring a subscription)
- SportsBiz: http://thesportsbizblog.blogspot.com/
- Sports Law: http://thesportslawprofessor.blogspot.com/
- and http://www.cmaxxsports.com/misc/misc.html (you’ll find useful webpages devoted to the NBA, the NFL, MLB, and the NCAA, as well as a webpage linked to many of the Forbes franchise valuation webpages… with more to come over the course of the semester)

B. Some Books: