

**ECON 370-001, SPORTS ECONOMICS**  
**TuTh 9:30 AM – 10:45 AM, ST 210**  
**SPRING 2023**

**PROFESSOR:** Dr. Tom Rhoads  
**OFFICE:** 101-E Stephens Hall  
**OFFICE HOURS:** TuTh 8<sup>00</sup> – 9<sup>00</sup> AM & 12<sup>45</sup> – 1<sup>15</sup> PM

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**COURSE DESCRIPTION**

Study of sports and the sports industry using economic models. Organized according to the fields of industrial organization, public finance, and labor economics. Topics include league makeup, stadium financing, team location, competitive balance, and incentive structures. Prerequisites: ECON 201/203 and ECON 202/204.

**COURSE OBJECTIVES**

You will be able to use economic models to better understand the fundamentals of sports and the sports industry. You will also be able to further your understanding of current economic issues in sports.

**COURSE MATERIALS AND REQUIRED BOOKS**

- TU Office 365 account at <http://office.towson.edu> (Course content delivery on OneNote)
- TU Blackboard account at <http://blackboard.towson.edu> (Course grade delivery)
- Michael Lewis, Moneyball: The Art of Winning an Unfair Game, W. W. Norton, 2004 (ISBN 9780393324815)
- Neil deMause & Joanna Cagan, Field of Schemes: How the Great Stadium Swindle Turns Public Money into Private Profit, University of Nebraska Press, 2008 Revised and Expanded Edition (ISBN 9780803260160)
- Gilbert M. Gaul, Billion-Dollar Ball: A Journey Through the Big-Money Culture of College Football, Penguin Books, 2015 (ISBN 9780143108634)

**RECOMMENDED TEXTBOOK**

Michael A. Leeds, Peter von Allmen, and Victor A. Matheson The Economics of Sports, 6<sup>th</sup> Edition, Routledge, 2018.

**LEARNING OBJECTIVES**

You will become familiar with the methods of economic analysis as they apply to issues in the sports industry. You will be able to consider a sports industry problem from an economic perspective.

**GRADING AND COURSE REQUIREMENTS**

Your grade for this course will be based on your performance on two exams, three homework assignments, and ten reading quizzes.

Reading Quizzes (10 @ 15 pts)	150
Homework Assignments (3 @ 50 pts)	150
Mid-Term Exam	100
Final Exam	100
<b>TOTAL POINTS</b>	<b>500</b>

Generally, you can expect to earn no less than an A with at least 463 points, no less than an A- with at least 448 points, no less than a B+ with at least 433 points, no less than a B with at least 413 points, no less than a B- with at least 398 points, no less than a C+ with at least 383 points, no less than a C with at least 348 points, no less than a D+ with at least 333 points, and no less than a D with at least 298 points.

**READING QUIZZES AND HOMEWORK ASSIGNMENTS**

Ten reading quizzes to assess reading comprehension of the required books will be given. A schedule of readings will be available in the course OneNote Class Notebook. A series of three homework assignments—each worth 50 points—will be given. Homework assignments are tentatively scheduled with the following due dates:

- Thursday, February 16, 2023
- Thursday, March 16, 2023
- Thursday, April 27, 2023

**EXAMS**

If you are involved in a university-sponsored activity that conflicts with an exam date, you must notify the professor at least two weeks in advance to arrange an alternate testing time and location. If you miss an exam without notifying the professor in advance, you must contact the professor as soon as possible concerning the absence and secure a university excuse for your absence. Then a make-up exam will be given at the earliest possible time. Without a university excuse, you will receive a score of 0 for the missed exam.

**ACADEMIC DISHONESTY AND ACADEMIC INTEGRITY**

Also known as “cheating,” academic dishonesty will not be tolerated in this class. Cases of academic dishonesty will be prosecuted in accordance with university regulations. Cheating in this course can result in an “F” in the course. The course academic integrity policy is consistent with the TU Academic Integrity Policy.

**STUDENT EVALUATIONS**

Student evaluations of this course play a crucial role in its delivery. This semester, all course evaluations will be administered online during the last two weeks of the course. You will receive an email with a link to the website with directions on how to access the survey. It is vitally important that you complete the survey as the results are used to possibly modify the course and assess teaching. The University uses the results to address technology and facility needs. You can be assured that your responses will be confidential as the results are revealed only after the grading period has ended and they will not include any identifying information.

**COURSE WITHDRAWAL**

The last day to withdraw from this class is April 10, 2023 and is noted in the online Academic Calendar. Students withdrawing on or before this date will receive a “W” on their official transcript.

**REPEATED COURSE**

According to University policy, all students may repeat any course once. If repeating, you are advised to inform the instructor. For a third attempt, the student must obtain prior written approval from the Academic Standards Committee. Students enroll for a third attempt without permission at their own risk.

**STUDENTS WITH DISABILITIES**

This course is in compliance with Towson University policies for students with disabilities. Students with disabilities are encouraged to register with Accessibility & Disability Services (ADS), 7720 York Road, Suite 232, 410-704-2638 (Voice) or 410-704-4423 (TDD). Students who suspect that they have a disability but do not have documentation are encouraged to contact ADS for advice on how to obtain appropriate evaluation. A memo from ADS authorizing your accommodation is needed before any accommodation can be made.

**READINGS LIST**

1. Neale, W. 1964, "The Peculiar Economics of Professional Sports," *Quarterly Journal of Economics*, v. 78, no. 1, pp. 1-14.
2. Agha, N. and T. Rhoads, 2018, "Reputation and the league standing effect: the case of a split season in minor league baseball," *Applied Economics*, v. 50, no. 41, pp. 4447-4455.
3. Rhoads, T. 2015, *The Call up to the Majors: A Proximity-Based Approach to the Economics of Minor League Baseball*. Springer Publishers. New York, NY, 2015.
4. Rhoads, T. and Y. Zhao, 2022, "Sports team performance and revenue of out-of-stadium vending operations," *Applied Economics Letters*. v. 29, no. 1, pp. 8-11.
5. Rhoads, T. 2007, "Labor Supply on the PGA TOUR: The Effect of Higher Expected Earnings and Stricter Exemption Status on Annual Entry Decisions," *Journal of Sports Economics*, v. 8, no. 1, pp. 83-98.

**COURSE OUTLINE**

- I. Introduction [READING 1]
  - A. Economics and Sports (Chapter 1)
  - B. Economics Review (Chapter 2)
- II. Industrial Organization and Sports [READINGS 2 & 3] (Moneyball)
  - A. Teams as Profit-Maximizing Firms (Chapter 3)
  - B. Monopoly and Antitrust (Chapter 4)
  - C. Competitive Balance (Chapter 5)
- III. Public Finance and Sports [READINGS 3 & 4] (Field of Schemes)
  - A. Markets for Teams (Chapter 6)

**MID-TERM EXAM TENTATIVELY SET FOR THURSDAY, MARCH 30, 2023**

- B. Team Location and Stadium Financing (Chapter 7)
    - C. Mega-Events (Chapter 8)
- IV. Labor Economics and Sports [READING 5]
  - A. The Labor Market for Athletes (Chapter 9)
  - B. Unions and Free Agency (Chapter 10)
- V. College Sports (Chapter 12) (Billion-Dollar Ball)

**FINAL EXAM SCHEDULED FOR TUESDAY, MAY 23, 2023, 8:00 AM – 10:00 AM**