

**TENTATIVE DRAFT**  
**Economics 490-01 (ECON 490-01)**  
**Special Topics: Sports Economics**  
**Fall Semester 2017 (AUG. 28 – DEC.16)**

**Instructor:** Susanne Schmitz  
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**Office Hours:** MWF 8:00 – 8:45 am \*  
MW 1:30 – 2:30 pm\*  
\*Additional office hours by appointment

**Office:** Fine Arts 201 A

**Class Meetings:** MWF 9:30-10:30 am

**Course Prerequisites:** Economics 101 and Economics 102 (or ECON 190 & ECON 191)

**Course description:**

Using the tools of economic analysis, this course will examine issues pertaining to the professional and amateur sports industry. The topics covered during the semester include market structure (industrial organization), labor market analysis (collective bargaining, free agency), and economic policy issues such as stadium financing and venue location.

**Course Objectives:** Upon successful completion of this course, students will:

- Investigate the decision-making processes of businesses in the sports industry within the context of microeconomic models of firm behavior
- Develop an appreciation for the industrial organizational issues associated with professional and intercollegiate sports leagues.
- Understand the fundamental public finance aspects of franchise location and venue decisions
- Be able to describe player-management relations using standard labor economics models
- Be familiar with the recent history of sports and its place in American culture

**Text:** *Sports Economics*, by Rodney D. Fort (information about how to access this text will be given the first day of class)

**Grading:**

Your course grade will be based on a combination of examinations, homework assignments and a research project assignment. There will be two in-class examinations during the semester and a non-comprehensive final examination. Each exam is worth 20% of your course grade, and the final exam is also worth 20%. Homework assignments are worth 20% with the remaining 20% of your grade being determined by a research project (this project will consist of a written and oral presentation). The homework assignments and research project will be discussed further in class. Late assignments will **NOT** be accepted. If you miss class when the assignment is due, it is your responsibility to make sure I receive it by the due date.

I expect a professional and collegial environment in our classroom. As such, I have the following expectations:

- ◆ Regular class attendance and participation
- ◆ Punctuality
- ◆ No use of cell phones during class time

- ◆ Usage of laptops is restricted to note taking only
- ◆ Restraint from leaving the classroom during class time.

Students who miss a class are responsible for all material covered during that class period.

**EXAM FORMAT:**

The format of the exams will be a combination of the following:

- ◆ objective type questions (multiple choice),
- ◆ graphical analysis, and
- ◆ essay / discussion questions.

To each exam you should bring: a number 2 lead pencil, a straight edge (for graphs), and possibly colored pens / pencils. I will supply the calculators for the exams.

<b>Grading Scale:</b>	94% - 100%	<b>A</b>	77% - 79%	<b>C+</b>
	90% - 93%	<b>A-</b>	73% - 76%	<b>C</b>
	87% - 89%	<b>B+</b>	70% - 72%	<b>C-</b>
	83% - 86%	<b>B</b>	60% - 69%	<b>D</b>
	80% - 82%	<b>B-</b>	0% - 59%	<b>F</b>

**POLICY ON ACADEMIC INTEGRITY:**

All students should be familiar with the University’s policy on academic integrity:  
[http://bulletin.dom.edu/content.php?catoid=7&navoid=1064#academic\\_integrity\\_policy](http://bulletin.dom.edu/content.php?catoid=7&navoid=1064#academic_integrity_policy)

Plagiarism, collusion, and other forms of cheating or scholastic dishonesty are incompatible with the principles and values of Dominican University. Violation of these principles could result in penalties including loss of credit for assignment, failure of the course, possible expulsion or formal disciplinary procedures in accordance with University Policy.

**STUDENT ACCOMMODATIONS:**

It is university policy to provide, on a flexible and individualized basis, reasonable accommodations to students who have disabilities that may affect their ability to participate in course activities or to meet course requirements. Students with documented disabilities are encouraged to contact the Disability Support Services Office at (708) 524.6822 to discuss their individual needs. All information regarding disabilities is confidential.

**Important Dates:**

September 5 (Monday)	NO CLASS (Labor Day)
September	EXAM I
September 26 (Tuesday)	Caritas and Veritas Day (class schedule suspended)
September / October	Research Project Topic Due
October 20 (Friday)	NO CLASS (Fall Break – Long Weekend)
November	EXAM II
November 8 (Wednesday)	Last day to withdraw from class
November 22 - 26	NO CLASS (Thanksgiving Break)
December 12 (Monday)	Final Examination 8:00 – 10:00 am

**Economics 490**  
**Tentative Course Outline\***

- |      |  |                                 |
|------|--|---------------------------------|
| I.   | Introduction and Overview:   | Chapter 1                       |
| II.  | Neoclassical Demand Theory in Sports Markets --<br>Demand, Elasticity, and Revenue:  | Chapters 2, 3 (partial)         |
| III. | Industrial Organization within the Sports Industry –<br>Sports Market Outcomes:  | Chapters 4, 5 (partial)         |
| IV.  | Labor Markets in Professional Sports --<br>The Value of Sports Talent,<br>History of Player Pay Structures,<br>Sports Labor Relations: | Chapters 6,<br>7 (partial), 8   |
| V.   | Economic Policy: Taxes, Subsidies and Antitrust:   | Chapters 9,<br>10, 11 (partial) |
| VI.  | Intercollegiate Sports:  | Chapter 12                      |
| VII. | Additional Topics (as time permits)  |                                 |

*\* Further reading assignments will be made in class. The time spent on any one topic will depend on class progress and interest.*

## GUIDELINES FOR THE RESEARCH PROJECT

Your research project should address a current sports economics topic (see examples below), and, where appropriate, discuss mainstream views as well as any dissenters to the mainstream view. The choice of topic may effect the organization of your project. The research project consists of an essay portion as well as an oral presentation component. The essay should be between 6 and 8 type-written pages (double-spaced) and must be properly referenced, with at least 4 sources other than the textbook. You will be expected to give a 5 – 10 minute oral presentation about your research to the class.

### Possible Research Topics:

Labor Market Issues in the Sports Industry  
Market Structure Outcomes in Professional Sports  
The Effects of Outsourcing on the Domestic Sporting Goods Industry  
The Impact of Revenue Sharing on Franchise Profitability  
The Non-profit side of Sports  
Sports Memorabilia Markets  
The Effects of Public Subsidies of Stadiums  
Minor Leagues vs. Major Leagues  
The Historical Development of Professional Sports  
The Economic Impact of Sport Franchises or Sporting Events  
Labor Market Discrimination in Sports  
Controversies surrounding Student Athletes in NCAA sports

## POSSIBLE REFERENCE SOURCES FOR ESSAYS

### I. Academic Journals

Scholarly journals contain articles in which economists report new theories, new evidence, or new techniques for testing established theories. The primary audience for these articles are economists and other specialists.

The major academic journal in the field of sports economics is the ***Journal of Sports Economics***. However, many general-interest academic journals, such as the ***American Economic Review***, ***Applied Economics*** and the ***Journal of Political Economy*** often contain sports-related articles. ***Forbes***, ***Harvard Business Review***, and ***Challenge: A Magazine of Economic Affairs*** are other potential sources.

### II. Trade Publications

There are several practitioner journals that are of interest to students of sports economics: ***Street and Smith's Sports Business Journal***, and ***The Sporting News*** are two examples. The popular magazines and newspapers (e.g., ***Time***, ***Newsweek***, ***Business Week***, ***The Economist***, ***The Wall Street Journal***, ***The New York Times***) frequently contain stories relevant to the economics of sports markets.