

Course Syllabus

ECON 323 – Economics of Sports

Spring 2023

Instructor: Austin J. Drukker
Time: Tuesdays & Thursdays, 8:00am – 9:15am
Location: McClelland Hall 125
Office Hours: by appointment
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Teaching Assistant: Robert Baluja
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Course Objectives:

The overall goal of the course is to develop and utilize economic tools and intuition to analyze the economics of professional sports, and to expose students to academic research in the field of sports economics. Students will learn to apply existing economic models to the industry of professional sports and compare predictions of these models to real-world observations.

Expected Learning Outcomes:

By the end of the course, students will be able to use economic tools and concepts to explain phenomena from the sports world. Students will be able to describe the economic reasoning behind decisions made by players, teams, and leagues that are profit-maximizing.

Prerequisites:

Students are expected to have completed ECON 200 or an equivalent course as well as have a general understanding of the major American sports (American football, baseball, basketball, and hockey) and their leagues. Students that do not have a basic understanding of these sports may find it difficult to excel in this course.

Textbook:

Leeds, Michael A., Peter von Allmen, and Victor A. Matheson. 2018. *The Economics of Sports*, 6th ed. New York: Routledge. ISBN: 978-1-315-16794-7

An electronic version of the textbook is available for free from the library:
<https://ebookcentral.proquest.com/lib/UAZ/detail.action?docID=5372193>

Grading:

Your grade in this course will be determined by homework assignments (25%), exam 1 (25%), exam 2 (25%), and exam 3 (25%). Grades are calculated based on the standard UArizona letter scale: 90%+ = A, 80–89% = B, 70–79% = C, 60–69% =D, 59%– = F

Homework:

Students will complete a total of 6 homework assignments. Assignments must be submitted electronically via D2L by 11:59pm MST on the following days:

- Homework 1: Due Monday January 30 at 11:59pm MST
- Homework 2: Due Monday February 13 at 11:59pm MST
- Homework 3: Due Monday March 13 at 11:59pm MST
- Homework 4: Due Monday March 27 at 11:59pm MST
- Homework 5: Due Monday April 17 at 11:59pm MST
- Homework 6: Due Monday May 1 at 11:59pm MST

Each assignment will be weighted equally, and together will account for 25% of the final course grade. Homework will closely follow assigned readings and topics from lectures. Homework that is not submitted on time will receive a grade of 0.

Exams:

There are 3 exams for this course, which are not cumulative. Students may use their notes during the exams but may not converse with others. The exam dates are:

- Exam 1: Thursday February 16 from 8:00am–9:15am
- Exam 2: Thursday March 30 from 8:00am–9:15am
- Exam 3: Thursday May 11 from 8:00am–10:00am

If a student has an expected or unexpected excused absence on the day of an exam, then proper documentation should be presented and the student should notify the instructor as soon as possible to arrange an alternative time to take the exam.

Optional Reading List (available on D2L):

- Romer, David. 2006. "Do Firms Maximize? Evidence from Professional Football." *Journal of Political Economy* 114, no. 2: 340–65.
- Drukker, Austin J., Ted Gayer, and Alexander K. Gold. 2020. "Tax-Exempt Municipal Bonds and the Financing of Professional Sports Stadiums." *National Tax Journal* 73, no. 1: 157–96.
- Price, Joseph, and Justin Wolfers. 2010. "Racial Discrimination Among NBA Referees." *Quarterly Journal of Economics* 125, no. 4: 1859–87.

Student Code of Academic Integrity:

Students are encouraged to share intellectual views and discuss freely the principles and applications of course materials. However, graded work must be the product of independent effort unless otherwise instructed. Students are expected to adhere to the UArizona Code of Academic Integrity as described in the UArizona General Catalog. The penalty for cheating is a failing grade. See: <http://deanofstudents.arizona.edu/codeofacademicintegrity>

Accessibility and Accommodation:

At the University of Arizona, we strive to make learning experiences as accessible as possible. If you anticipate or experience barriers based on disability or pregnancy, please contact the Disability Resource Center (DRC) to establish reasonable accommodations. Information about the DRC is found at the following:

website: drc.arizona.edu/students
phone: 520-621-3268
email: disability@arizona.edu

Students must register and request that the DRC send the instructor official notification of their accommodation needs as soon as possible. It is the **responsibility of the student** to proactively **contact the instructor** to discuss accommodations. Any student who expects to need accommodations for the exams should contact the instructor **before** the first exam. The need for accommodations must be documented by the appropriate office.

The Dean of Students Office is available to help students and their families manage crises, life traumas, and other barriers that impede success. If you are experiencing unexpected barriers to your success in this course, please contact the instructor and the Dean of Students Office (phone: 520-621-7057, email: DOS-deanofstudents@arizona.edu).

Nondiscrimination and Anti-Harassment Policy:

The University of Arizona is committed to creating and maintaining an environment free of discrimination. In support of this commitment, the University prohibits discrimination, including harassment and retaliation, based on a protected classification, including race, color, religion, sex, national origin, age, disability, veteran status, sexual orientation, gender identity, or genetic information. The University encourages anyone who believes they have been the subject of discrimination to report the matter immediately. All members of the University community are responsible for participating in creating a campus environment free from all forms of prohibited discrimination and for cooperating with University officials who investigate allegations of policy violations.

Honors Contract:

Students who wish to earn honors credit for the course should contact the instructor for the requirements.

Subject to Change Statement:

Information contained in the course syllabus may be subject to change with advance notice, as deemed appropriate by the instructor.

Course Outline:

Part 1: The Industrial Organization of Sports

Thursday January 12: *Introduction to the Economics of Sports*

*Tuesday January 17: *Tools of Economics* [ONLINE ONLY]

Thursday January 19: *Economics of Team Behavior*

*Tuesday January 24: *Economics of Team Behavior* (continued) [ONLINE ONLY]

Thursday January 26: *Economics of Team Behavior* (continued)

Homework 1 due Monday January 30 @ 11:59pm MST on D2L

Tuesday January 31: *Monopoly and Antitrust*

*Thursday February 2: *Monopoly and Antitrust* (continued) [ONLINE ONLY]

Tuesday February 7: *Monopoly and Antitrust* (continued)

Thursday February 9: *Competitive Balance*

Homework 2 due Monday February 13 @ 11:59pm MST on D2L

Tuesday February 14: *Competitive Balance* (continued)

Thursday February 16: *Exam 1* (in class)

Part 2: The Public Finance of Sports

Tuesday February 21: *Public Benefits of Professional Sports*

Thursday February 23: *Public Benefits of Professional Sports* (continued)

Tuesday February 28: *Public Benefits of Professional Sports* (continued)

Thursday March 2: *Public Costs of Professional Sports*

[March 6–10: SPRING BREAK]

Homework 3 due Monday March 13 @ 11:59pm MST on D2L

Tuesday March 14: *Public Costs of Professional Sports* (continued)

Thursday March 16: *Public Costs of Professional Sports* (continued)

Tuesday March 21: *Public Costs of Professional Sports* (continued)

Thursday March 23: *Economics of Sports Mega-Events*

Homework 4 due Monday March 27 @ 11:59pm MST

Tuesday March 28: *Economics of Sports Mega-Events* (continued)

Thursday March 30: *Exam 2* (in class)

Part 3: The Labor Market of Sports

Tuesday April 4: *Labor Supply and Demand*

Thursday April 6: *Labor Supply and Demand* (continued)

Tuesday April 11: *Strategic Games*

Thursday April 13: *Labor Market Imperfections and Bargaining*

Homework 5 due Monday April 17 @ 11:59pm MST on D2L

Tuesday April 16: *Labor Market Imperfections and Bargaining* (continued)

Thursday April 20: *Labor Market Discrimination*

Tuesday April 25: *Labor Market Discrimination* (continued)

Thursday April 27: *Economics of Intercollegiate Sports*

Homework 6 due Monday May 1 @ 11:59pm MST on D2L

Tuesday May 2: *Economics of Intercollegiate Sports* (continued)

[Thursday May 4: READING DAY]

Thursday May 11: *Exam 3* (in class) [same classroom, same time]