

The College of William & Mary
Department of Economics
Fall 2021

Course: ECON 150-02 - Sports & Economics

Instructor: Martin (Marty) B. Schmidt

Office: Tyler Hall 261

Phone: 1-2376

Email: schmidtm@wm.edu

Office Hours: 12:20pm-2:00pm TTH and by appointment.

Course Description: As the title of the course indicates, this is a seminar course whose topic is the intersection of Sports and Economics. As a Freshman Seminar course, the course is designed to give students a chance to explore an academic area of interest through intensive reading, writing and discussion. Accordingly, most classes will be filled by discussion of the assigned reading. You will also have frequent opportunity to write. The topic for the course is to examine sports, or what many believe about sports, under the economist's microscope.

Course Objectives: There are two primary objectives for the course. The first is to improve your writing skills. The course is designed to cultivate your talents as writers, one who can effectively communicate ideas through writing. The second is to increase your understanding of economics. Economics is a discipline whose focus is on decision making. Most (All?) of life requires choices to be made. Economics provides a framework within which the choices can be made.

Course Topics: Sports Economics crosses over a number of distinct areas of Economics. We will, for example, cover topics which fall into:

1. Industrial Organization
2. Labor Economics
3. Public Finance
4. Amateurism

Textbook: Lunsford, Andrea A. The Everyday Writer, 6th Ed., Bedford/St Martin's 2016.

Class material: The class material (reading assignments, homework, ...) will be placed on the course's blackboard site. All readings, homework, and most of the material for this class will be handled through this means.

Prerequisites: None

Grade Policy: Your grade in the course will be determined by your performance on the following assignments:

Class Attendance/Participation (20)	10%
One-Minute Papers (20)	10%
Reading Quizzes (20)	10%
Topic Response Papers (3; 1-2 pages)	30%
Group Presentations (4)	20%
Group Term Paper/Presentation (6-8 pages)	20%

Class Participation: You will be graded on the level of participation you provide during the course. The size of the class is small and so it will not be difficult to track how much each of you adds to the discussion. Around midterm,

I will provide you with an intermediate score for class participation. This will give you an idea of where you stand and allow you to make changes if necessary.

One-Minute Papers: In the final minute or two of the class, I will ask you to respond to the following two questions:

1. What is the most important thing you learned today?
2. What is the "muddiest" point still remaining at the conclusion of today's class?

The first question directs you to focus on the "big picture," (i.e., what is being learned), whereas the second seeks to determine how well learning is proceeding. To encourage you to provide thoughtful, sincere responses to these questions you will earn 3 points for each of the one-minute papers turned in.

Unlike the end-of-term evaluations, you are providing guidance for your own ongoing instruction, not for students in the future. For example, if based upon a simple analysis of your responses I decide that the main points of the previous class are poorly understood.

I will review and clarify these points at the beginning of the subsequent class. I respect and am interested in your opinion and encourage your active involvement in the learning process through this assignment.

Make-up One-Minute papers will not be accepted.

Response Papers: During the term you will be required to write several response papers. The style of these short papers will not always be the same. Some will require that you write an Op Ed on the weekly subject while others may require that you write a letter to your congressman. These are intended for you to work on your writing.

Finally, these will also include 3 point quizzes for each of the assigned readings.

Group Presentation: You and one other of your classmates will be assigned to a group during the first class period. Each group will be assigned several article(s) to present to the class during the term. The articles will highlight several basic economic topics which have a sport application.

For the oral presentation, each group will deliver a presentation based upon the group's assigned article and lead to discussion on the papers approach and conclusions.

One purpose of the presentation is to provide you with practice for any other presentation that you will have to do at William and Mary, as well as practice for interviewing and presentation skills at the professional level. Many of you have jobs that require you to have extensive interpersonal interaction. For you, this should be a fairly easy way to boost your grade. For those of you who have less experience in this area, this should be a fairly innocuous way to practice presentation and public speaking skills. Make sure you practice beforehand and time your talk.

You know what you value in good presentations and good speeches. Try to translate that knowledge into your own presentation. I do not want you to feel constrained by this assignment, but I do want you to be able to communicate your research orally with your peers. If you want to have a casual demeanor, that is fine, but you still need to be professional at the same time.

During your presentation, you should:

- Introduce yourselves and the article's topic.
- Present the main claim or thesis statement of the article.
- Describe the supporting evidence.
- Use at least one visual aid (PowerPoint slides, handouts, diagrams, charts, posters, etc.) show detail and help us visualize the article's point(s).

Group Term Paper: Finally, you and your group will be required to write to a more formal and lengthier piece on a topic of dealing with Collegiate Athletics and the University. Topics will be drawn at random closer to the middle of the semester.

Writing Resource Center: The Writing Resources Center, located on the first floor of Swem Library, is a free service provided to W&M students. Trained consultants offer individual assistance with writing, presentation, and other communication assignments across disciplines and at any stage, from generating ideas to polishing a final product. To make an appointment, visit the WRC webpage

Important Dates:

Response Paper #1	September 28th
Response Paper #2	November 4th
Response Paper #3	November 30th
Group Term Paper	December 7th - 9th

Tentative Outline:

- Thursday, 09/02 - **Introduction**
- Tuesday, 09/07 - **Comparative Advantage** ...Scahill, Edward M. 1990. "Did Babe Ruth Have a Comparative Advantage as a Pitcher?" *The Journal of Economic Education*, Vol. 21 (4), pp. 402-10.
- Thursday, 09/09 - **Game Theory** ...Merz, Thomas E. 1996. "Willie Mays: Meet John Nash." *The Journal of Economic Education*, Vol. 27 (1), pp. 45-48.
- Tuesday, 09/14 - **Incentives** ...Bradbury, John C. and Douglas J. Drinen. 2007. "Crime And Punishment in Major League Baseball: The Case of the Designated Hitter and Hit Batters." *Economic Inquiry*, Vol. 45 (1), pp. 131-44.
- Thursday, 09/16 - **Incentives** ...Maloney, Michael T. and Robert E. McCormick. 2000. "The Response of Workers to Wages in Tournaments: Evidence from Foot Races." *Journal of Sports Economics*, Vol. 1(2), pp.99-123.
- Tuesday, 09/21- **Incentives** ...Wolfers, Justin. 2006. "Point Shaving: Corruption in NCAA Basketball." *AEA Papers and Proceedings*, Vol. 96 (2), pp. 279-83.
- Thursday, 09/23 - **Industrial Structure** ...Cain, Louis P. and David D. Haddock. 2005. "Similar Economic Histories, Different Industrial Structures: Transatlantic Contrasts in the Evolution of Professional Sports Leagues," *The Journal of Economic History*, Vol. 65 (4), pp. 1116-1147.
- Tuesday, 09/28 - **Anomalies** ...Thaler, Richard H. 1998. "The Winner's Curse." *Journal of Economic Perspectives*, Vol. 2(1), pp. 191-202.
- Thursday, 09/30 - **Scalping** ...Courty, Pascal. 2003. "Some Economics of Ticket Resale," *Journal of Economic Perspectives*, Vol.17(2), pp. 85-97
- Tuesday, 10/05 - **Library Session**
- Thursday, 10/07 - **Gender Bias** ...Rogers, R. 2020. "Boys in the Booth: The Impact of Announcer Gender on Audience Demand." *Journal of Sports Economics*, 21(6), 610-627.
- Tuesday, 10/12 - **Coase Theorem** ...Rottenberg, Simon. 1956. "The Baseball Players' Market." *Journal of Political Economy*, Vol. 64 (3), pp. 242-58.
- Thursday, 10/14 - **Marginal Revenue Product** ...Scully, Gerald W. 1974. "Pay and Performance in Major League Baseball." *The American Economic Review*, Vol. 64 (6), pp. 915-30.
- Tuesday, 10/19 - Fall Break
- Thursday, 10/21 - **Competitive Balance** ...Bowman, R. Alan, James Lambrinos and Thomas Ashman. 2012. "Competitive Balance in the Eyes of the Sports Fan: Prospective Measures Using Point Spreads in the NFL and NBA." *Journal of Sports Economics*, 14(5), pp. 498-520.
- Tuesday, 10/26 - **Competitive Balance** ...Schmidt, Martin B. and David J. Berri. 2001. "Competitive Balance and Attendance: The Case of Major League Baseball," *Journal of Sports Economics*, Vol. 2 (2), pp. 145-67.
- Thursday, 10/28 - **Competitive Balance** ...Schmidt, Martin B. and David J. Berri. 2003. "On The Evolution of Competitive Balance: The Impact of an Increasing Global Search," Vol. 41 (4), pp. 692-704.

- Tuesday, 11/02 - **Demand**...Burger, John D. and Stephen J. K. Walters. 2003. "Market Size, Pay, and Performance: A General Model and Application to Major League Baseball," *Journal of Sports Economics*, Vol. 4 (2), pp. 108-25.
- Thursday, 11/04 - **Labor Issues**...Schmidt, Martin B. and David J. Berri. 2004. "The Impact of Labor Strikes on Consumer Demand: An Application to Professional Sports," *The American Economic Review*, Vol. 91 (4), pp. 344-57.
- Tuesday, 11/09 - **Performance** ...Camerer, Colin M. 1989. "Does the Basketball Market Believe in the 'Hot Hand,'" *The American Economic Review*, Vol. 79 (5), pp. 1257-1261.
- Thursday, 11/11 - **Crime** ...Copus, Ryan and Hannah Laqueur. 2019. "Entertainment as Crime Prevention: Evidence From Chicago Sports Games," *Journal of Sports Economics*, Vol. 20(3) 344-370.
- Tuesday, 11/16 - **Economic Impact Studies** ...Baade, Robin A. "Stadiums, Professional Sports and Economic Development: Assessing the Reality," *Heartland policy study*, No. 62. ISSN 0889-8014
- Thursday, 11/18 - **Economic Impact Studies** ...Sanderson, Allen R. "In Defense of New Sports Stadiums, Ballparks and Arenas," *Marquette Sports Law Review*, Vol. 10(2)
- Tuesday, 11/23 - **Valuation of Sports** ...Alexander, Donald L and William Kern. 2004. "The Economic Determinants of Professional Sports Franchise Values," *Journal of Sports Economics* Vol. 5(1) pp. 51-66
- Thursday, 11/25 - Thanksgiving
- Tuesday, 11/30 - **Home Court** ...Boudreaux, Christopher J, Shane D Sanders & Bhavneet Walia. "A Natural Experiment to Determine the Crowd Effect Upon Home Court Advantage." *Journal of Sports Economics*, Vol. 18 (7), pp. 737-749.
- Thursday, 12/02 - **Luck vs Skill** ...Levitt, Steven D. and Thomas J. Miles "The Role of Skill Versus Luck in Poker Evidence from the World Series of Poker, " *Journal of Sports Economics* Vol. 15(1) pp. 31-44 & Maxcy, J. G. 2013. "Efficiency and Managerial Performance in FBS College Football: To the Employment and Succession Decisions, Which Matters the Most, Coaching or Recruiting?" *Journal of Sports Economics*, 14(4), 368-388
- Tuesday, 12/07 - Group Presentations
- Thursday, 12/09 - Group Presentations