

The College of William & Mary
Department of Economics
Fall 2016

Course: ECON 318 - The Economics of Sports

Course Specifics:

- Office: Tyler Hall 261
- Phone: 757-221-2376
- email: schmidtm@wm.edu
- Office Hours: 11-12:00 M-TH or by appointment.
- Prerequisites: ECON 101 or equivalent

Course Objectives:

Economics is typically a dry subject, the basic nature of which is shrouded in mystery from the perspective of the average undergraduate. The purpose of this class is to attack the subject of economics on both these fronts. By studying the economics of sports it is hoped that the student can approach economics in the context of a subject the student already finds interesting. Furthermore, the study of the economics of sports allows the student to see how various tools and theories can actually be applied to solving problems the student may see presented frequently in the mainstream news. In the end this class is not only designed to be interesting, but also a rigorous introduction to the application of economic theory.

Course Outline:

1. Review of Basic Economics - Incentives
2. The Industrial Organization of Professional Sports
3. Professional Sports Labor Markets
4. The Public Finance of Professional Sports Markets

Course Grading:

Grading is based on:

- 2 (40 point) midterms (40% of the final grade each)
- 4 (5 point) homework assignments (20%)
 - You may work in groups for the homework.
- Therefore, the course entails a total of **100** points.

Grade Policy:

- The student's grade is normally based on a 90%, 80%, 70% ... scale.
- The expectation is then that an A (might be an A-) will require the student to accumulate 90 points on the graded material.
- Whether or not fewer points would earn the student an A depends on the distribution of the classes' scores.

- Finally, if you disagree with my grading on a particular item, I will happily consider your point.
 - However, please give me only written requests and your reasons for consideration on grading corrections.
 - I will promptly consider all such requests and respond back to you after careful consideration of the matter.

Handouts and Lecture Notes: I have posted on blackboard detailed lecture notes/slides. These slides will give you a solid framework for the lectures, but are by no means a perfect substitute for the lecture.

On Learning Economics:

Economics is an analytical discipline, and therefore the best way to learn economic concepts is to work problems, work more problems, and work even more problems. You should study economics in much the same way you study for a math course. Many students make the mistake of studying like they would for a history course.

The first step in learning economics is to learn the basic terminology used by economists. You should understand what an economist means by "capital". But you should remember that the definitions and terminology are not ends in themselves, but rather are important because they are necessary to solve problems. In a math course, it is important to understand what a "+" sign is, but only because the definition allows you to add numbers. If you memorize the definition of a plus sign, but do not know how to use one, you will most certainly not learn math.

The second step is to attempt to replicate the analysis presented in the chapters. In other words, when the text presents a key economic concept or answers a problem, you should attempt to reproduce the concept or answer on a blank sheet of paper. Reading the text over and over is no substitute for this. This is very similar to learning math - the best way to learn to add is not to read a math book over and over, but rather to practice adding numbers.

Finally, once you have mastered the problems presented throughout a chapter, you should then read the chapter again to provide an overall view of the material in the chapter. Then, you should attempt to answer the questions at the end of the chapter.

On Getting a Good Grade in this Course & Any Other: Come to class, all the time! In the past, the single best predictor of final grades has been class attendance. Every year, attendance for some portion of my students becomes more erratic as the term wears on. These people consistently get Cs and worse. Getting notes from your friends, even if those notes are of high quality, is not a proper substitute. Why? Because most of the learning you will do actually takes place in the process of hearing and seeing the material from the professor, and transcribing it into your notes. Re-reading the material later provides an additional small benefit, but it is much less valuable than if you wrote the notes yourself.

Be disciplined about keeping up with the material. I suggest the following:

1. Read the relevant lecture notes before class, and take notes. This should take no more than 1-2 hours per week.
2. Take diligent notes in class.
3. Immediately review the notes after class to see what you understand and what is unclear, while it is still fresh. This should probably take no more than 20 minutes for each class. Check the unclear parts against the text, or if necessary, with me. If you wait 4 weeks until the midterm, you probably won't understand the cryptic nonsense you wrote in the moments before dozing off.
4. At least a week before midterms, start by reviewing your notes, and doing practice exams (without the answer key in front of you). Give yourself a couple of days to figure out what you don't understand so you can consult with me.