Department of Economics
UNIVERSITY OF TORONTO

ECO 353H1-S
Special Topics with Data: Sports Economics
Winter 2024

COURSE DESCRIPTION

This applied economics course explores various aspects of the economics of sports and sports leagues, including both theoretical and empirical analysis. We will consider a number of topics, including:

- The business of professional sports: how do teams and leagues make money?
- Analysis of leagues' competitive balance policies
- Player relations issues including analysis the drivers of players' salaries
- The relationship between college and professional sports

Instructor: Laura Turner

Email contact: lmf.turner@utoronto.ca Make sure to use this personal address rather than emailing via Quercus! Please make sure ECO 353 is in the subject line. You can email me at any time. If you don't get a reply within 48 hours please feel free to email again as it's possible Outlook sent the email to trash or I trashed it by mistake.

TA and TA contact: Jefferson Brodt: j.brodt@mail.utoronto.ca

Class: Monday 10am-1pm in SS 1069. Most weeks we will finish by 12:30pm!

Office Hours: Thursdays 1pm-3pm on Zoom. Since most office hours issues will relate to individual work, I will run office hours by appointment rather than post an open drop-in link. You can make an appointment in advance or simply email me during the office hours window for a personal link. (Group meetings are fine.) I will be online during this window so as soon as I'm free (i.e. not in another meeting) I will send a link! I'll host some open office hours before the exam. I'm also available to chat after class on most Mondays.

COURSE MATERIALS

1. Berri, David, Sports Economics. New York: Worth, 2018.
2. Additional readings for the mini-essays will be provided as e-resource links via Quercus.

ECO 353 follows Berri's text reasonably closely, with some supplemental material and some omissions. The textbook is quite easy and lively although because it was published in 2017, its examples are now a little bit out of date. It can be puchased as an e-text (reccomended) directly from the publisher, MacMillan, or rented from VitalSource, which is currently the cheaptest available option. Although the text is technically required, and fairly cheap, you do not absolutely have to buy it to do well in the class. Just remember that Berri is one of the foremost experts in sports econ and you may find his perspective as a useful contrast/companion to mine.

COURSE TOPICS AND SCHEDULE

Each week we will cover between 1.5 to 3 hours of lecture content, depending on whether we also have a tutorial. I will post the lecture and/or tutorial slides for the week on Sundays. The tutorials are mainly to help you prepare your data assignments and will cover regression in R and excel, data collection from relevant sports databases, calculation of player impact metrics, and some technical concepts covered in the class.

The approximate schedule is:

Week 1: Introduction; Demand for Professional Sports

Week 2: Supply in a "Competitive" Sports Market

Week 3: Supply in a Monopoly Market: Market Size and Wins

Week 4: Profit vs. Wins; Tutorial #1

Week 5: Competitive balance (Essay #1 due February 10th at midnight)

Week 6: Labour Negotiation and Salary Determination in Sports; Tutorial #2

READING WEEK

Week 7: Measuring Player Value I (Data Project #1 due March 2nd at midnight)

Week 8: Measuring Player Value 2; Tutorial #3

Week 9: Modern Sports Analytics (Essay #2 due March 16th at midnight)

Week 10: Moneyball and its Legacy; Tutorial #4

Week 11: Discrimination in Sports and Women's Professional Sports; Tutorial #5

Week 12: Amateur Sports and the NCAA (Data Project #2 due April 8th at midnight)

COURSE EVALUATION

Students can choose their own evalulation scheme as described below. The evaluation will be based on a combination of (up to) four assignments and an exam:

1) Two analytical mini-essays (max 1200 words): 20% each, due midnight Saturday at the end of Weeks 5 and 9
2) Two data analysis projects worth 25% each, due midnight Saturday at the end of Week 7 and Monday following Week 12
3) Final Exam after April 9th

You may opt to skip one or both of the mini-essays and/or one of the data projects with the marks being reweighted to the exam. In other words, you must complete one of the two data projects but the rest of the term work is optional. If you skip one data project and both mini-essays, your exam will be worth 75%. If you skip one data project and one mini-essay, your exam will be worth 55%. If you skip one data project only, the exam will be worth 35%. If you skip one mini essay only, the exam will be worth 30%. **Note if you skip both data projects, one will automatically count zero out of 25 toward your grade.**

It is fine to skip one or more assignments, but all graded work counts! There is no shame at all in skipping one or two of the optional pieces of term work. If you are especially busy around the due date of one of the pieces of term work, simply skip it. But it's not recommended to submit half-assed term work because we will not drop submitted work when computing your grade. If we have to grade it, it counts!

There are no extensions for term work, for any reason! (Students registered with Accessibility can make arrangements for extended deadlines for each assignment, but these deadlines then function like the normal deadline does for everybody else.) I always leave the Quercus window for term work open a few hours beyond the official due time. So if the assignment is due at midnight, it is safe to submit it at 2 or 3am (without penalty) in the event that you slightly mistime your work. But longer extensions are not granted and once the window closes it is closed for good. Just skip this piece of term work and do the next one!

Essays:

The mini-essays will involve reading a published empirical article in sports economics from *The Journal of Sports Economics* or a similar journal and discussing/evaluating the data analysis in the article and what it tells us about the economics of sports. Each topic will come with a motivating topic question to answer in the essay. The article/question combinations to choose from will be provided on Quercus at the end of Week 2 (for the first essay) and the end of Week 3 (for the second) respectively.

The essays must be individual work and will be submitted to Ouriginal via Quercus. If you find that your paper has a similarity score that is quite high (higher than around 25%) you may want to check in with me by email that your essay is ok. Often there is a legit reason for high similarity scores, but it can be a red flag for your essay. It's best to check.

Data Analysis projects:

The first data analysis project will involve investigating the determinants of revenue, demand, or another economic outcome within a given sports league and time frame, and using this analysis to assess the economic prospects of a specific team. The second analysis project will involve calculating the economic value of a professional athlete either using methods, or variations on methods, covered in the course. For the data projects, group work is allowed (not required) but groups must be formed and approved in advance of the due date. You can choose to work in groups of 2, or 3. However, groups of 2 will receive -2 off the top of their assignment and groups of 3 will receive -3 off the top of their assignment. Details of the projects will be posted at the end of Week 2 and Week 9 respectively.

PLAGIARISM DETECTION TOOL

Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (https://uoft.me/pdt-faq).