

# Department of Economics

## UNIVERSITY OF TORONTO

### ECO 353H1-S Special Topics: Sports Economics Summer 2023

#### **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

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**TA and TA contact:** tba

**Class:** Monday and Wednesday 2pm – 5pm in BL 205 (located at 140 St. George Street)

**Office Hours:** Fridays 2:30pm-5pm by Zoom appointment. It's best to make an appointment in advance, but I am online during this window if you want to make a last-minute appointment. I'm also available to chat after class on Mondays (but not Wednesdays).

## 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. Berri's text can be purchased as an e-text (recommended) directly from the publisher, MacMillan. Although the text is required, and fairly cheap to purchase as an e-text, 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 slides for the week on Sundays (on Tuesday the first week) and the tutorial material will be posted on Tuesdays starting in Week 2. On Wednesdays, starting in Week 2 and going through Week 6, either myself or the TA will host a tutorial during the second half of the class. 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 W:** Introduction; Demand for Professional Sports (Class: July 5<sup>th</sup>)

**Week 2 M:** Supply in a “Competitive” Sports Market (Class: July 10<sup>th</sup>)

**Week 2 W:** Market Size and Wins (Class: July 12<sup>th</sup>)

**Week 3 M:** Monopoly Behavior: Profit vs. Wins (Class: July 17<sup>th</sup>)

**Week 3 W:** Competitive balance (Class: July 19<sup>th</sup> ; Essay #1 due July 22<sup>th</sup>)

**Week 4 M:** Labour Negotiations in Sports (Class: July 24<sup>th</sup>)

**Week 4 W:** The Economic Value of Playing Talent (Class: July 26<sup>th</sup>; Data Project #1 due July 29<sup>th</sup>)

**Week 5 M:** The Economic Value of Playing Talent Cont. (Class: July 31<sup>st</sup>)

**Week 5 W:** Modern Sports Analytics (Class: August 2<sup>nd</sup>; second essay due August 5<sup>th</sup>)

**Week 6 W:** Moneyball and its Legacy (Class: August 9<sup>th</sup>)

**Week 7 M:** Discrimination in Sports and Women's Professional Sports (Class: August 14<sup>th</sup>)

**Week 7: T:** Amateur Sports and the NCAA (Class: August 15<sup>th</sup>; Data Project #2 due August 16<sup>th</sup>)

## COURSE EVALUATION

**Students can choose their own evaluation scheme as described below; this is especially important during the summer semester when the course is very condensed and you may not want to do all the term work.** The evaluation will be based on a combination of (up to) four assignments and an exam:

- 1) Two mini-essays (max 1200 words): 20% each, due midnight Saturday at the end of Weeks 3 and 5
- 2) Two data analysis projects worth 25% each, due midnight Saturday at the end of Week 4 and Wednesday of Week 7
- 3) Final Exam 10%-55% Date TBD, after August 16<sup>th</sup>

You may opt to skip **one** of the mini-essays **and/or one** of the data projects with the marks being reweighted to the exam.

**For students who opt to skip at least one assignment:** If you skip one data project **and** one mini-essay, your exam will be worth 55%. If you skip one data project **but** submit both mini essays, the exam will be worth 35%. If you skip one mini essay **but** submit both data projects, the exam will be worth 30%. **Note if you skip both mini essays, one will automatically count zero toward your grade and the same for the data assignments.**

**For students who complete all four assignments (both essays and both data projects):** Students who complete all four assignments will write an exam worth only 10%. This is recommended for those who are more comfortable with course work than with final exams. However, in addition I will throw out your worst assignment grade (either a mini-essay or a data project) and re-weight it toward the exam if this improves your overall mark. **The option to throw out your worst submitted assignment at the end is only available to students who submit all four assignments.**

### Essays:

The mini-essays will involve reading a published article in sports economics from The Journal of Sports Economics or a similar journal and answering a question motivated by the subject of the article in the context of the recent course material. The article/question combinations to choose from will be provided on Quercus at the end of Week 1 (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 using 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 4 respectively.

### **MISSED OR LATE WORK POLICY**

No prolonged extensions on any assignments will be granted for any reason; I'll make exceptions of a few hours for emergencies like computer crashes. I also usually leave the assignment window open for a few hours after the due time in case you mistime your completion of the assignment slightly (no late marks apply in this case). But longer extensions will not be granted. If you need to skip an assignment for health or personal reasons that's fine. As noted above, you can skip up to one mini essay and one data project and simply re-weight the marks to the exam.