

# Department of Economics

## UNIVERSITY OF TORONTO

### ECO 353H1-F Special Topics: Sports Economics Fall 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](mailto:lmf.turner@utoronto.ca). Please email from your U of T e-mail account and **make sure ECO 353 is in the subject line.**

**TA and TA contact:** Jenna Rolland-Mills [jenna.rollandmills@mail.utoronto.ca](mailto:jenna.rollandmills@mail.utoronto.ca)

**Class:** Monday 10am–1pm in SS 2135

**Office Hours:** After class on Mondays and, live and/or via zoom on Friday afternoons 1-4pm. I'll provide details of my exact availability (i.e. whether I'm in the econ department or via just available via zoom) each week.

## **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 data tutorial. I will post the lecture slides and/or tutorial material for the week on Sundays before the Monday 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 first three tutorials will be held in class; the last tutorial(s) for the final data project will be online asynchronous and you only need to view the tutorial video that is relevant to your particular project.

The approximate schedule is:

**Week 1:** Introduction; Demand for Professional Sports (Class: September 9<sup>th</sup>)

**Week 2:** Supply in a “Competitive” Sports Market (Class: September 16<sup>th</sup>)

**Week 3:** Market Size and Wins (Class: September 23<sup>rd</sup>)

**Week 4:** Monopoly Behavior: Profit vs. Wins (Class: September 30<sup>th</sup>)

**Week 5:** Competitive balance (Class: October 7<sup>th</sup> ; Essay #1 due Oct 12<sup>th</sup>)

**Week 6:** Labour Negotiations in Sports (Class: October 21<sup>st</sup>)

**Week 7:** The Economic Value of Playing Talent (Class: November 4<sup>th</sup>; Data Project #1 due Nov 9<sup>th</sup>)

**Week 8:** The Economic Value of Playing Talent Cont. (Class: November 11<sup>th</sup>)

**Week 9:** Modern Sports Analytics (Class: November 18<sup>th</sup>; second essay due Nov 23<sup>th</sup>)

**Week 10:** Moneyball and its Legacy (Class: November 25<sup>th</sup>)

**Week 11:** Moneyball and Discrimination (Class: December 2<sup>th</sup>)

**Week 12:** Amateur Sports and the NCAA (Class: December 3<sup>th</sup>; Data Project #2 due Dec 5<sup>th</sup>)

## COURSE EVALUATION

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

- 1) Two mini-essays (max 1250 words): 20% each, due midnight Saturday at the end of Weeks 5 and 10
- 2) Two data analysis projects worth 25% each, due midnight Saturday at the end of Week 7 and Wednesday of Week 12
- 3) Final Exam 10%-75% Date TBD, after December 5<sup>th</sup>

You may opt to skip up to **two** 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 **both** mini essays **and** one data project, 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 **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 data assignments, one will automatically count zero toward your grade.**

**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 **passing** assignment grade (either mini-essay or data project) and re-weight it toward the exam if this improves your overall mark. **The option to throw out your worst passing assignment at the end is only available to students who submit all four assignments. Otherwise, if you submit an assignment and we mark it, it will count toward your grade. If you submit an assignment and regret it the next day, let us know; we will skip marking it.**

### 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 2 (for the first essay) and the end of Week 6 (for the second) respectively.

The essays must be individual work and will be submitted to Turnitin 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 4 and Week 9 respectively.

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

Generally speaking, 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 half a day 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 both mini essays and/or one of the data projects without penalty and simply re-weight the marks to the exam.

I may allow for informal extensions for the final data project given the timing of the final lectures and the conclusion of the course. Because we start later than other courses and also miss a lecture for Thanksgiving, things are sometimes hectic at the end of the semester in which case I will accept late submissions for the final data project only.

### **USE OF GENERATIVE AI**

Students may make use of LLM or similar generative AI programs, such as ChatGPT, Microsoft Copilot, or Claude, to help craft essays or to write code for the data projects. However, any use of generative AI programs must be properly cited including the prompt or prompts used for content generation. For information on proper citation, many organizations that publish standard citation formats are now providing information on citing generative AI (e.g., MLA: <https://style.mla.org/citing-generative-ai/>).

Any use of generative AI without acknowledgement will result in a failing grade (possibly a zero depending on the egregiousness of the offense) on the assignment in question. As well, despite improvements in LLM programs, "robot essays" are generally terrible and will receive bad marks even if properly cited. In particular, the essay assignments require you to read and discuss an article in the sports economics literature, and LLMs will generally not be able to discuss the article like a human who has read and digested it. But LLMs can still be very useful in structuring or outlining an essay and producing some generic ideas for you to build on. If you are unsure if you're using AI "properly" please feel free to ask the instructor or TA during office hours.