



# NYU | STERN

## Sports Economics

**Simon Bowmaker**

**Spring 2021**

Tuesday, 2:00 pm – 4:50 pm

E-mail: [sbowmake@stern.nyu.edu](mailto:sbowmake@stern.nyu.edu)

### **Description, Scope, and Objectives**

This MBA elective course applies microeconomic analysis to professional and amateur sports. Appropriate examination of sports economics requires coverage of advanced fields of specialization within economics. These include industrial organization, labor economics, and public finance. Ultimately, the principal objective of the course is for students to have a more complete understanding of the economic issues affecting the world of sports. You will be able to comment intelligently on economic issues of sports that appear in the news media, such as the impact of the draft system, as well as assess and critique the opinions offered by journalists on, for example, the pay and performance of professional athletes. This is a unique opportunity to understand why there has been a recent explosion in economists looking both at the market of sports and using sports data to explain or test theories about the wider business world.

### **Textbook**

The recommended (optional) textbook is *The Economics of Sports*, by Michael Leeds, Peter von Allmen, and Victor Matheson (6<sup>th</sup> international student edition).

### **Course Assessment**

The course assessment is as follows:

Class participation	20%
Group presentation	15%
Exam 1	30%
Exam 2	35%

## Course website

All announcements regarding the course will be made on NYU Classes. Besides administrative issues, I may post clarifications on the class material. You are responsible for checking NYU Classes for announcements on a regular basis (i.e., at least a couple of times a week).

## Course policies

*Exams and re-grading.* You are responsible for checking the exam dates and avoiding any conflict with other commitments. Exams will not be re-administered on other dates. During an online exam, you are allowed to consult class notes, books, or any other material, i.e. it is open book. However, you may not confer with your classmates or with anyone else during the exam. Questions about grading must be made in writing and no more than a week after the exams are returned.

*Honor code.* The Stern community believes that honesty and integrity are necessary for rewarding academic and professional experiences. These qualities form the basis for the strong trust among members of the academic community (students, faculty, and administrators) that is essential for excellence in education. The Stern Code of Conduct (available online at <https://nyustern.campusgroups.com/ose/code-of-conduct/>) requires that each student act with integrity in all academic activities and endeavor to hold his or her peers to the same standard.

*Other policies.* Unless explicitly stated otherwise, students should assume that Stern's default policies (available online at <http://www.stern.nyu.edu/portal-partners/registrar/policies-procedures/general-policies-1>) are in force.

## Diversity, inclusion, and equity

I am deeply committed to maintaining a classroom culture that respects and embraces diversity, inclusion, and equity. For more information about NYU Stern's continued efforts in this area, please visit: <https://www.stern.nyu.edu/portal-partners/diversity-inclusion>

## Student Accessibility

If you will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Student Accessibility (212-998-4980, [mosescsa@nyu.edu](mailto:mosescsa@nyu.edu)) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the Moses Center for Student Accessibility, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation. For more information, visit the CSA website: <https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

## **Tentative Course Schedule and Readings**

### **Tuesday, February 2 - Introduction and the Economic Role of a Sports League**

L, VA, & M, pp. 3-4, 56-57, 73-77

### **Tuesday, February 9 - Sports Franchises as Profit-Maximizing Firms**

L, VA, & M, pp. 57-73, 78-84

### **Tuesday, February 16 - Competitive Balance**

L, VA, & M, pp. 119-143

### **Tuesday, February 23 - Public Finance of Sports: Who Benefits and How, I?**

L, VA, & M, pp. 149-160

Exam 1 in second half of class

### **Tuesday, March 2 - Public Finance of Sports: Who Benefits and How, II?**

L, VA, & M, pp. 160-171

Guest speaker in second half of class: David Becker, Inner Circle Sports

### **Tuesday, March 9 - Public Finance of Sports: Who Pays and Why?**

L, VA, & M, pp. 179-201

### **Tuesday, March 16 - Mega-events + Rugby**

L, VA, & M, pp. 205-232

### **Tuesday, March 30 - Economics of Cricket and Formula 1 Motor Racing**

Handouts to be provided

**Tuesday, April 6 - Introduction to Labor Markets in Professional Sports + Moneyball**

L, VA, & M, pp. 239-248, 138-139

Group presentations in second half of class

**Tuesday, April 13 - Economics of Tournaments and Superstars**

L, VA, & M, pp. 248-257

Group presentations in second half of class

**Tuesday, April 20 - Labor Market Imperfections**

L, VA, & M, pp. 271-292

Group presentations in second half of class

**Tuesday, April 27 – College Sports**

L, VA, & M, pp. 346-351

Exam 2 in second half of class

**Tuesday, May 4 - Course wrap-up + Group presentations in second half of class**