Ricardo Santos
Spring 2018
Trinity University

ECON 3327-1: Sports Economics

Overview
This course will allow students to develop an understanding of many fields of economics that relate to sports including labor economics, industrial organization, public finance, game theory, and econometrics. Particular attention will be paid to daily real world applications of economics and the world of sports. Though the planned syllabus might be adjusted to accommodate any special interests of the students in class, some of the different issues planned to be addressed include: coaches' optimal game strategy decisions; whether player's compensation is consistent with market incentives; performance and optimal pay: prizes versus salaries; investigate whether governments should subsidize the construction of new club stadiums; study the optimal point system in games.

Objectives
- predict behavior and outcomes in games of strategic interaction, and develop optimal responses;
- identify and implement optimal pricing strategies for maximizing profits;
- articulate the purpose of sports leagues, identify the mechanisms used to achieve their goals, and theoretically and empirically assess the degree to which they are successful;
- describe the theoretical causes and consequences of monopsony power, and assess the extent of monopsony power in labor markets;
- describe the types, sources, and consequences of labor market discrimination;
- recognize how incomplete information affects optimal decision-making;
- analyze the costs and benefits of public works projects like sports stadiums;
- define the concept of market efficiency, and assess evidence for and against market efficiency.

Class Hours
Lectures will be held on Tuesdays, from 6:45pm to 9:40pm in CGC 104.

Office Hours (Chapman 422)
Monday: 10am – 11h30am
Tuesday: 4h50pm – 6pm
Thursday: 12pm – 1pm & 4h50pm – 6pm

Tlearn
I will make use of Trinity's Learning Environment (tlearn). In particular, homework assignments and some figures to follow in class will be posted there (and will *not* be distributed as hard copies).

Textbook
"The Economics of Sports", 5th edition, by Leeds and von Allmen. A complementary but not required textbook is "Sports Economics", 3rd edition, by Rodney Fort.

Grading
Attendance/Participation: 10%
Homeworks (5): 15%
Group Project: 20%   (5% first presentation, 7.5% final presentation, 7.5% essay)
Midterm: 25%   (March 6th)
Final: 30%   (Take-home)

Make-up Exams
The only acceptable excuses for missing an exam are medical illnesses or family emergencies. Any exam that is missed without a *verifiable* legitimate reason will receive a grade of zero. Moreover, if you have a legitimate excuse and you will not be able to take an exam on time, you need to let me know *before* the exam.

The Honor Code
"All students are covered by a policy that prohibits dishonesty in academic work. Under the Honor Code, a faculty member will (or a student may) report an alleged violation to the Academic Honor Council. It is the task of the Council to investigate, adjudicate, and assign a punishment within certain guidelines if a violation has been verified. Students who are under the Honor Code are required to pledge all written work that is submitted for a grade: "On my honor, I have neither given nor received any unauthorized assistance on this work" and their signature. The pledge may be abbreviated "pledged" with a signature."

Syllabus

I – Introduction
        - What is Economics? The core principles;
        - The field of sports economics: brief history and why it matters;
        - Regression Analysis in brief.

II – The Industrial Organization of Sports
        - Sports franchises as profit-maximizing firms;
        - Monopoly and competitive balance;
        - Applications of game theory.

III – Public Finance and Sports
        - The market for teams;
        - Costs and Benefits of a franchise to a city.

IV – The Labor Economics of Sports
        - Distribution of income;
        - Salary arbitration, salary caps, and the role of unions;
        - Discrimination.

V – Selected Topics
        - Optimal Strategies;
        - Forecasting the winner;
        - Referee Bias;

Temptative Outline

Lecture	Date	Assignment
1	Jan 16th	Introduction; Class rules; Syllabus
2		
3	Jan 23rd	
4		
5	Jan 30th	Class material (parts I- IV)
6		+
7	Feb 6th	3 HWs
8		
9	Feb 13th	
10		
11	Feb 20th	1st Presentation (all groups)
12		
13	Feb 27th	Solve HW's
14		Review Session
15	Mar 6th	Q&A
16		**Midterm**
17	Mar 20th	
18		
19	Mar 27th	Class material (part V)
20		+
21	Apr 3rd	2 HWs
22		
23	Apr 10th	
24		
25	Apr 17th	**Final Presentations (4)**
26		
27	Apr 24th	**Final Presentations (2)**
28		Review Session / Q&A