

UNIVERSITY OF NORTH CAROLINA
DEPARTMENT OF ECONOMICS
ECON 485.001: ECONOMICS OF SPORTS
SPRING 2022

MWF from 12:20PM – 1:10PM in Gardner Hall, Rm. 308

- Instructor:** Rita A. Balaban **E-Mail:** balabanr@email.unc.edu
- Office Hours:** Mondays (3:30 PM – 5:00 PM in the EconAid Center/Gardner 009) and Thursdays (9:30 AM – 11:00 AM via Zoom: <https://unc.zoom.us/j/949953760>)
- Website:** <http://sakai.unc.edu> This is the course website and you can access it by using your ONYEN. Please become familiar with Sakai. This is where you will find a detailed outline of what you are expected to do before/after each lecture. It also contains the official course gradebook, announcements, and other supplementary materials. It is your responsibility to frequently check Sakai to stay on top of course announcements and assignments. The course will appear as ECON485.001.SP22 in Sakai.
- Credit Hours:** 3 hrs.
- Prerequisites:** C or better in ECON 400 and ECON 410

Course Description: This course applies microeconomic techniques to study the allocation of resources in professional and collegiate sports, the determinants of an athlete's salary, racial discrimination, gender wage differentials, and the economic impact of sports within the local community. The course engages students with real-world sports stories and incorporates empirical research and statistical analysis to test different economic theories.

Course Expectations and Class Structure: We will draw on the tools that you learned in ECON 410 so this course will feel fairly rigorous and demanding at times. However, I have carefully constructed the assignments in this course to maximize your learning. You are expected to work hard, actively participate, ask questions when you have any doubts, and perform to the very best of your ability. Class time will be used to introduce new material, hold discussions related to the course content, and do activities. You are expected to be engaged and you are highly encouraged to ask questions as soon as they arise.

- Prior to every class I will provide a list of learning objectives on Sakai for that day's lecture.
- At the end of each week, I will post a list of review questions based on the content covered.

As the instructor for this course, I would like to share my course goals with you. Specifically, I would like: 1) students to see how economics can be applied to understand the decisions made by different agents in the sports industry over time; 2) students to gain confidence in how to use the tools from ECON 400 and ECON 410 to analyze interesting economic questions within and outside of the sports industry; 3) to motivate students to expand their economic skill set by taking more courses and/or reading more on their own.

Spring 2022 Course Delivery: As long as it is possible to do so safely, we will be meeting in person this semester. I understand the ongoing COVID-19 pandemic may require changes to this plan and will be monitoring the situation closely. If I need to change the format of the course temporarily due to outbreaks of illness, I will announce this via email and the course Sakai site. All lectures will be recorded and posted on Sakai by 5pm.

Required Materials:

- Berri, David. **Sports Economics**, 1st edition, Worth Publishers, 2018.
- Késenne, Stefan. **The Economic Theory of Professional Team Sports: An Analytical Treatment**, 2nd edition, Edward Elgar Publishing, 2014. A free eBook is available in Sakai/Course Reserves.
- Zoom – You will need Zoom to join my Thursday office hours. Make sure you are using the latest version of Zoom and that you are using your UNC Zoom account (unc.zoom.us). Zoom is freely available to you and you can sign up at unc.zoom.us.
- Basic calculator.
- Stable internet connection
- Gradescope – You will submit some of your assignments on Gradescope by using the link on our Sakai course page. Gradescope is free to you. It is your responsibility to make sure your submitted assignments are clear and easy to read. This means that you should use pen or dark pencil and make sure that your ink does not bleed through to the back of the page if you are writing on both sides. When taking photographs or scanning a document, make sure the pages are properly oriented and ordered numerically, and clearly indicate where each problem appears. For more information on how to submit homework to Gradescope and other frequently asked questions, follow this link (<https://www.gradescope.com/help#help-center-section-student-workflow>). Note: When you submit an assignment, you will receive an automated email from Gradescope that includes the date and time you turned in your work, the assignment Due Date, and a link to your submission. Make sure that you receive this email before you navigate away from the submission page.

Recommended Background Reading:

- Szymanski, Stefan. **Playbooks and Checkbooks: An Introduction to the Economics of Modern Sports**. Princeton University Press: Princeton, NJ, 2009. A free eBook is available in Sakai/Course Reserves.

Recommended Newsletters:

- Axios Sports (<https://www.axios.com/sports>)
- D1.Ticker (<https://www.d1ticker.com/>)
- Front Office Sports (<https://frontofficesports.com/newsletters/>)
- The Gist (<https://www.thegistnews.ca/>)

Course Components

- **Problem Sets (PS):** I will assign 9 problem sets this semester. PS will be assigned on Wednesday afternoons and must be uploaded to Gradescope by 11:55pm on Monday evenings. Explicit instructions will be provided in the assignment and the questions will be graded on a pass/fail basis. Each PS will be graded for 1) completion, which means that ALL questions must be answered; and 2) accuracy (70% or better). If you meet all these requirements, then you will receive credit (1 point), otherwise, you get no credit (0 points). You may submit one PS per 4 students, and I will drop your two lowest PS scores before calculating your final grade.
- Midterm Exam #1 (60 points): The first midterm will take place on Wednesday, February 2nd, and will be administered in-class during our designated class time. More information on the midterm structure will be provided closer to February 2nd.
- Midterm Exam #2 (60 points): The second midterm will take place on Wednesday, March 2nd, and will be administered in-class during our designated class time. More information on the midterm structure will be provided closer to March 2nd.

- Midterm Exam #3 (60 points): The third midterm will take place on Wednesday, April 6th, and will be administered in-class during our designated class time. More information on the midterm structure will be provided closer to April 6th.
- Final Exam (100 points): A 3-hour final exam will take place during the final exam period assigned by the registrar (12:00pm – 3:00pm on Saturday, April 30th). It will be *cumulative*, i.e., all material from the first lecture to the last lecture is fair game. More information on the final exam will be provided during the final week of the semester.

Grading

There are two main determinants of your course grade: Exams and Problem Sets. The grade you receive will depend upon the total points earned across all 4 exams and the number of problem sets completed. In order for a problem set to be classified as “completed” you must meet the criteria specified on p. 2 of the syllabus):

Course Grade	Exams (280 points total)	Minimum # of Problem Sets Completed
A	At least 240 points	7 of 9 problem sets
B	210-239.99 points	6 of 9 problem sets
C	180-209.99 points	5 of 9 problem sets
D	150-179.99 points	4 of 9 problem sets

You will fail the course if you earn less than 150 points across all 3 exams OR if you complete less than 4 problem sets for credit.

Grades can be adjusted up or down as follows. Suppose you earn 190 points on the exams. That will earn you a C in the course if you also complete the minimum number of problem sets necessary for a C. If you complete the problem set requirements for a D, you will earn a C- in the course. If, instead, you complete the problem set requirements for an A or a B, then you will receive a C+ in the course.

- Example 1: a student earns 190 points across the 4 exams and meets the requirement for a completion of 7 problem sets. The student will earn a C+ in the class. (Exam Criteria = C; Problem Set Criteria = A).
- Example 2: a student earns 190 points across the 4 exams and meets the requirement for a completion of 4 problem sets. The student will earn a C- in the class. (Exam Criteria = C; Problem Set Criteria = D).
- Example 3: a student earns 200 points across the 4 exams and meets the requirement for a completion of 3 problem sets. The student will Fail the class because they did not complete at least 4 problem sets.

I recognize that life is busy and unpredictable and that you may find it difficult at times to complete your assignments on time. Please note that this grading system provides structure without ruining your GPA. Note that as long as you complete at least 4 problem sets, the worst that can happen is your grade falls by ½ a letter grade, e.g., from an A to an A-, or a B to a B-. Furthermore, the course is graded on a curve. For example, you only need to earn ~65% of the exam points to be in the C-range for your final course grade. If you have any questions on how to calculate your grade, please do not hesitate to ask.

When and How to Contact Me

- If you have a question about the course material:
 - If it's brief, then you can ask me before or after class.
 - Speak to me during my office hours.
- If you have a question about Class Policies or Grading:
 - Always check the syllabus and Sakai announcements first as 90% of course procedure questions are answered there.
 - If you cannot find the answer in the syllabus or the Sakai announcements, then please email me at balabanr@email.unc.edu.
 - You can expect to receive a response within 24-48 hours. If you do not hear from me after 48 hours, please check the email address you used. Emails sent to other email addresses will not be answered.
- If you have a sensitive or personal issue that you would like to discuss:
 - Feel free to setup an individual appointment with me at <http://calendly.com/balabanr> or send an email to balabanr@email.unc.edu.
 - If you use the proper email address, then you can expect to receive a response within 24-48 hours. Emails sent to other email addresses will not be answered.
- If you have a question about majoring in economics or careers in economics:
 - See the section on Sakai entitled "Interesting Links" as many of your questions may be answered there.
 - You can discuss career-related questions with me during office hours.
- A comment on email etiquette
 - Send all correspondences from your UNC email address and include your FULL (official) NAME and PID.
 - Briefly describe the issue in the subject line.
 - Use full sentences (i.e., not text language), and be concise.
 - Be polite and respectful.

Diversity Statement: I value the perspectives of individuals from all backgrounds reflecting the diversity of our students. I broadly define diversity to include race, gender identity, national origin, ethnicity, religion, social class, age, sexual orientation, political background, and physical and learning ability. I strive to make this classroom an inclusive space for all students. Please let me know if there is anything I can do to improve, I appreciate suggestions.

UNIVERSITY AND COURSE POLICIES

Community Standards in Our Course and Mask Use: This semester, while we are in the midst of a global pandemic, all enrolled students are required to wear a mask covering your mouth and nose at all times in our classroom. This requirement is to protect our educational community — your classmates and me — as we learn together. If you choose not to wear a mask, or wear it improperly, I will ask you to leave immediately, and I will submit a report to the [Office of Student Conduct](#). At that point you will be disenrolled from this course for the protection of our educational community. Students who have an authorized accommodation from Accessibility Resources and Service have an exception. For additional information, see [Carolina Together](#).

Honor Code Statement: I expect all students to follow the guidelines of the UNC honor code. In particular, students are expected to refrain from “lying, cheating, or stealing” in the academic context. You can read more about the honor code at honor.unc.edu. In any course, including mine, what constitutes cheating can change from one activity to another. For example, collaboration may be encouraged for an assignment but qualify as cheating during an exam. Please see my guidelines for each activity, and if you are unsure, please ask me to clarify.

You are not permitted to upload any content from this course to the web in any form, including but not limited to Chegg, Course Hero, Coursera, Google Drive, etc. If you post my course content, you may be violating my intellectual property rights. If you post your own work from this course, you are allowing sites to profit from your intellectual property. In utilizing web sources to upload or download course content, you risk violating the University’s Honor Code.

Attendance Policy and Approved Absences: No right or privilege exists that permits a student to be absent from any class or recitation meetings, except for these University Approved Absences:

1. Authorized University activities with official notification from the organization (e.g., travel letter).
2. Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office](#) (EOC)
3. Significant health condition and/or personal/family emergency as approved by the [Office of the Dean of Students](#), [Gender Violence Service Coordinators](#), and/or the [Equal Opportunity and Compliance Office](#) (EOC). Please note that this may also pertain to significant health conditions, such as COVID-19 or severe flu.

Invalid excuses are anything not listed explicitly as a University Approved Absence, including but not restricted to club activities/events, interviews (unless interviewer provides documentation that the date of the interview cannot be changed), illnesses which are not severe enough to warrant hospitalization, travel and/or vacation plans, feeling unprepared, etc.

Finally, regular attendance is strongly recommended. You are responsible for any announcements that you may have missed if you choose not to attend class. You should get the missed notes/announcements from one of your peers or by watching the recorded lecture. **You are not required to attend class; however, it is strongly recommended.**

Make-up Work with a University Approved Absence: Students who present me with University Approved Absence documentation are eligible for make-up work. This includes documentation which comes specifically from ARS, EOC, the Office of the Dean of Students, the Gender Violence Service Coordinators or the official organization (barring club sports).

- All other types of documentation cannot be used for University Approved Absences, and thus, make-up work cannot be given under these circumstances.
- **Documentation must specify exactly which dates the student is to be excused for; thus, a beginning and end time must be made explicit.**
- **Makeup requests must be submitted prior to missing an exam if at all possible and no later than 5 days after the student has returned if there is a sudden absence.**
- **If you have a university approved absence, then it is your responsibility to email me at balabanr@email.unc.edu either before or during the week you return to let me know which assignment(s) you would like to make up. If you email more than 5 days after you return, you will be unable to make up the missed work.**

Late Assignments

- Late assignments are not accepted unless you have a University Approved Absence with one of the proper documentations as described above.
- Deadlines for all assignments are listed on the “Schedule of Due Dates” page which is posted in Sakai. You are strongly urged to complete assignments well ahead of time to avoid any last-minute technical difficulties (e.g., internet issues).
- I will not accept an assignment past the deadline if you are having a technical problem. There are drops built into the grading system to allow for these issues.

Regrade Requests: If you feel that your work has been graded unfairly, you may submit it for a regrade. However, the regrade request must be submitted to balabanr@email.unc.edu within one week of when the assignment’s grade was posted. There are no exceptions to this rule. Note: if the assignment was completed on Gradescope, then select the “Request Regrade” button within Gradescope (<https://help.gradescope.com/article/8hchz9h8wh>).

In order for your regrade request to be considered, if applicable, you must submit the original work with NO additional markings or changes along with a detailed description of what you believe was graded unfairly and why you think you deserve additional points. Please keep in mind that I reserve the right to regrade any and all parts of the work which is submitted for re-assessment, and your grade may increase, decrease, or stay the same as a result.

UNIVERSITY RESOURCES

Accessibility Resources & Services: The University of North Carolina at Chapel Hill facilitates the implementation of reasonable accommodations, including resources and services, for students with disabilities, chronic medical conditions, a temporary disability or pregnancy complications resulting in barriers to fully accessing University courses, programs and activities.

Accommodations are determined through the Office of Accessibility Resources and Service (ARS) for individuals with documented qualifying disabilities in accordance with applicable state and federal laws. See the ARS Website for contact information: <https://ars.unc.edu> or email ars@unc.edu.

In order to assure that I have time to comply with your accommodations, please notify me as soon as possible and at least 72 hours in advance of any deadline.

The Learning Center: The UNC Learning Center is a great resource both for students who are struggling in their courses and for those who want to be proactive and develop sound study practices to prevent falling behind. They offer individual consultations, peer tutoring, academic coaching, test prep programming, study skills workshops, and peer study groups. If you think you might benefit from their services, please visit them in SASB North or visit their website to set up an appointment: <http://learningcenter.unc.edu/>

The Writing Center: The Writing Center is located in the Student and Academic Services Building and offers personalized writing consultations as well as a variety of other resources. This could be a wonderful resource to help with your writing assignments in this course (and any assignments in your other courses). You do not need a complete draft of your assignment to visit; they can help you at any stage! You can chat with someone in the writing center or set up an appointment on their website: <http://writingcenter.unc.edu/>

Counseling and Psychological Services: CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation to learn more.

Title IX Resources: Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Reports can be made online to the EOC at <https://eoc.unc.edu/report-an-incident/>. Please contact the University's Title IX Coordinator (Elizabeth Hall, interim – titleixcoordinator@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

Calendar and Reading List

Below is a general outline of the topics that will be covered this semester. A detailed outline with a schedule of required readings and assignments can be found in Sakai. You should always refer to the weekly schedule on Sakai when you are preparing for class.

Dates	Topic and Readings
Jan. 10 – Jan. 19	Introduction to Sports Economics <ul style="list-style-type: none"> • Berri: Chapters 1 and 2
Jan. 21	For the Money or the Glory <ul style="list-style-type: none"> • Berri: Chapter 3 (skip 3.4 and 3.5)
Jan. 24 – Jan. 31	The Peculiar Economics of Team Sports and Antitrust <ul style="list-style-type: none"> • Kesenne: Chapter 1 • Blair: Chapter 9 • Blair and Whitman (2017)
Feb. 2	Midterm #1
Feb. 4 – Feb. 9	The Competitive Balance Defense <ul style="list-style-type: none"> • Berri: Chapter 4 (intro – 4.6)
Feb. 11 – Feb. 21	The Player Labor Market and Restrictions on Player Mobility <ul style="list-style-type: none"> • Kesenne: Chapters 3 and 5
Feb. 23 – Feb. 28	Balancing Evolution <ul style="list-style-type: none"> • Berri: Chapter 4 (sections 4.7-4.9) • Treber, Levy, and Matheson (2013)
Mar. 2	Midterm #2
Mar. 4 – Mar. 11	Revenue Sharing and Salary Caps
Mar. 14 – Mar. 18	No Class – Spring Break
Mar. 21 – Mar. 23	Do Fans want Competitive Balance? <ul style="list-style-type: none"> • Berri: Chapter 4 (section 4.10) • Coates, Humphreys, and Zhou (2014)
Mar. 25	Labor Negotiations in Sports <ul style="list-style-type: none"> • Berri: Chapter 5
Mar. 28 – Apr. 4	The Economic Value of Playing Talent <ul style="list-style-type: none"> • Berri: Chapter 6 (intro-6.1, 6.5-6.9) • Hakes and Sauer (2006)
Apr. 6	Midterm #3
Apr. 8 – Apr. 20	Racial Discrimination and Gender Inequality in Sports <ul style="list-style-type: none"> • Berri: Chapter 7 (intro – 7.2) • Berri: Chapter 8
Apr. 22 – Apr. 27	The Economics of Mega Sporting Events <ul style="list-style-type: none"> • Baade and Matheson (2016)
Apr. 30	Cumulative Final Exam (12:00pm – 3:00pm)

Disclaimer: Although the instructor intends to follow this syllabus as closely as possible, there may be times when deviations from the material presented herein are necessary. Changes will be announced as early as possible so that students can adjust their schedule.