

ECON 485
ECONOMICS OF SPORTS
FALL 2022

Instructor:	Rita A. Balaban
Office:	200E Gardner Hall
Class Meetings:	Section 001: MWF 10:10 AM – 11:00 AM in Gardner 309 Section 002: MWF 11:15 AM – 12:05 PM in Gardner 309
Office Hours:	Mondays from 3:00 PM – 4:30 PM in the EconAid Center (Gardner 009), and Thursdays from 3:30 PM – 5:00 PM via Zoom (https://unc.zoom.us/j/949953760).
Email Address:	econ101@unc.edu
Website:	http://sakai.unc.edu (The course will appear as ECON485.001.FA22 in Sakai.)
Credit Hours:	3 credits
Prerequisites	A grade of C or better in ECON 400 and ECON 410

Course Delivery: As long as it is possible to do so safely, we will be meeting in person this semester. I understand public health issues or other unforeseen circumstances may require changes to this plan. 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.

Optional Mask Use: UNC-Chapel Hill is committed to the well-being of our community – not just physically, but emotionally. The indoor mask requirement was lifted for most of campus on March 7, 2022. If you feel more comfortable wearing a mask, you are free to do so. There are many reasons why a person may decide to continue to wear a mask, and we respect that choice.

Course Description and Objectives

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 Objectives: By the end of this course, you should be able to:

- Explain why we study sports economics as a unique field within economics.
- Compare and contrast professional sports leagues in the U.S. and E.U.
- Compare and contrast the college sports market in the United States to the professional sports market.
- Explain how owner objectives influence player salaries and competitive balance within professional sports leagues.
- Understand and apply different measures of competitive balance.
- Predict in what ways – if any - changes in league policy will affect competitive balance and player salaries within a sports league.
- Understand the role that policy and media play in participation and public interest in sport.
- Employ statistical analysis to test some of the theoretical predictions of the models in the sports literature.
- Analyze the economic impact of hosting a mega-sporting event or sports franchise.

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.

Required Materials

1. Berri, David. **Sports Economics**, 1st edition, Worth Publishers, 2018.
 - This textbook can be purchased or rented through the UNC bookstore.
 - Alternatively, a copy of the book is on reserve at Davis Library.
2. Késenne, Stefan. **The Economic Theory of Professional Team Sports: An Analytical Treatment**, 2nd edition, Edward Elgar Publishing, 2014.
 - This textbook can be purchased or rented through the UNC bookstore.
 - Alternatively, a free eBook is available in Sakai/Course Reserves. However, UNC's license only permits 7 users at a time.
3. Stable internet connection is needed to upload graded assessments and to join my Thursday office hours.
4. A device that can logon to the University's Wi-Fi (e.g., cellphone, laptop, tablet). You will need to bring this device with you to every class.
5. Poll Everywhere – during each lecture you will answer multiple questions by using the response system known as Poll Everywhere. Participation requires that you have a device that can logon to the University's Wi-Fi (e.g., cellphone, tablet, laptop). Prior to our first class you must register your device with Poll Everywhere (PE). Registration instructions and other FAQ can be found by following this link: poll.unc.edu. **Important:** The email address you have listed under your profile in Poll Everywhere must **exactly** match the email address you have listed in the [UNC Directory](#). If this is not the case, your poll scores will not properly synch to Sakai! (It's a problem, for example, if your email is onyen@unc.edu in the UNC directory but onyen@email.unc.edu in Poll Everywhere.) If your emails do not match exactly, please change your email address in Poll Everywhere to what is listed in the UNC Directory. If you need assistance, please visit <https://poll.unc.edu/> or contact [ITS Help](#).
6. 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.

7. Calculator - Only a very basic, four-function calculator is permitted during exams. If your calculator does not look like the two examples pictured below, it must be approved by me before an exam. **NO EXCEPTIONS** will be permitted.



8. 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 and Websites:

Below are some of my favorite resources for keeping up with the economics of sports and for collecting sports data.

- Axios Sports (<https://www.axios.com/sports>)
- Burn It All Down: podcast (<https://www.burnitalldownpod.com/>)
- D1.Ticker: newsletter and podcast (<https://www.d1ticker.com/>)
- Front Office Sports: newsletter and podcast (<https://frontofficesports.com>)
- John Vrooman – Sports Econ (<https://my.vanderbilt.edu/vrooman/sportseconomics>)
- Just Women’s Sports: newsletter and podcast (<https://www.justwomenssports.com>)
- Rodney Fort’s Sports Economics (<https://sites.google.com/site/rodswebpages>)
- The Gist: newsletter and podcast (<https://www.thegistnews.ca/>)

When and How to Contact Professor Balaban

- **If you have a question about the course material:**
 - If it's brief, then feel free to ask me before or after class.
 - Speak to me during my office hours. A full listing of office hours is available on Sakai.
 - Talk to a peer tutor in the EconAid Center.

The EconAid Center is located in Gardner 009. This is where some office hours will be held, where students can work on their economics assignments individually or in groups, and where there will be **free peer tutoring** during the week (starting the 2nd or 3rd week of the semester). The EconAid Center is open from 8am to 8pm every weekday. A link to the EconAid's free peer tutoring schedule will be posted on *Sakai* under *Office Hours*. We use *My Digital Hand* in the EconAid Center, a program that organizes students into a queue upon their arrival. Sign up at <https://mydigitalhand.org/signup> and choose the EconAid Center under Select Courses.

- **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 in the syllabus or on Sakai.
 - If you cannot find the answer in the syllabus or the Sakai announcements, then please email me at econ101@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 me at econ101@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.
- **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.

Course Components and Grading

Evaluation for this course will be based upon the following components:

Component	% of Course Grade
Participation Grade (25 of 37)	5%
Problem Sets (4 of 6)	20%
2 Highest Midterm Exams (15% each)	30%
Lowest Midterm Exam	10%
Final Exam	35%

Letter grades will be assigned based on a scale determined at the end of the semester. At a minimum, I will follow a traditional 10-point scale as presented below.

Grade	Course Grade
A	93-100
A-	90-92.99
B+	87-89.99
B	83-86.99
B-	80-82.99
C+	77-79.99
C	73-76.99
C-	70-72.99
D+	67-69.99
D	60-66.99
F	<60

If you feel you have been awarded an incorrect grade, please discuss with me. If we cannot resolve the issue, you may talk to our departmental director of undergraduate studies or appeal the grade through a formal university process based on arithmetic/clerical error, arbitrariness, discrimination, harassment, or personal malice. To learn more, go to the [Academic Advising Program](#) website.

- a. **Participation Grade:** We will learn in class by solving and discussing poll questions. Some polls will be for participation credit only; you will earn 100 points if you answer the poll and 0 points if you do not. Other polls will be graded based on accuracy; you will earn 100 points if you answer the poll correctly, 50 points if you answer incorrectly, and 0 points if you do not answer the poll at all. If your average poll score for a given class period is:
- 70% or higher, then for that class, you will get a participation grade of 100%.
 - Between 50-69.99%, then for that class, you will get a participation grade of 60%.
 - Less than 50%, then for that class, you will get a participation grade of 0%.

Polls must be answered in class only. Answering polls outside of class is an Honor Code violation. I will start calculating your participation grade on August 22nd. I anticipate that you will have 37 classes in which to earn a participation grade. However, I will only apply your top 25 participation grades towards your course grade.

b. **Problem Sets:** I will assign 6 problem sets (PS) this semester and you will be given at least 5 days to complete each one. PS will be graded for completion (all questions must be answered) and accuracy. A description of the grading scale follows:

- The submission is complete (i.e., a genuine effort was made to answer every part of every question) and meets the 70% threshold for accuracy – 100%.
- The submission is complete (i.e., a genuine effort was made to answer every part of every question) but does not meet the 70% threshold for accuracy – 60%.
- The submission is incomplete (i.e., a genuine effort was not made to answer every part of every question) – 0%.

There will be 6 PS assigned this semester of which the 4 highest will count toward your grade. In most instances, you will be able to work with a group of peers and submit one PS per 4 students. All PS must be uploaded to Gradescope by 11:55pm on the assigned due date.

Problem Set	Due Date
Problem Set #1	September 1
Problem Set #2	September 29
Problem Set #3	October 18
Problem Set #4	November 3
Problem Set #5	November 17
Problem Set #6	November 30

c. **Midterm Exams:** You will have a midterm exam on the following dates: September 12th, October 7th, and November 7th. Each exam will consist of both multiple-choice and long-form questions. Midterms will be administered during class and will be closed-book, closed-notes, but you will be permitted to use a basic calculator (see the syllabus for a picture of an acceptable calculator). Your two highest midterm scores will each count towards 15% of your course grade while your lowest midterm exam will only count towards 10%.

d. **Final Exam:** A 3-hour cumulative final exam will take place during the final exam period assigned by the registrar. The exam will consist of both multiple-choice and long-form questions. The final exam will be closed-book, closed-notes, but you will be permitted to use a basic calculator (see the syllabus for a picture of an acceptable calculator). Per UNC policy, you can only take the final exam at an alternative time if you provide me with an official exam excuse (<https://advising.unc.edu/announcement/final-exam-excuse-request/>). If you have an official exam excuse, you can take the final exam with the other section of ECON 485. Each section will receive a different final exam, and you will only be eligible for the curve (if there is one) applied to the section with which you took the final exam.

Expectations and Policies

1. **Class Attendance:** As stated in the University's [Class Attendance Policy](#), no right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences:
 - a. Authorized University activities
 - b. Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office](#) (EOC)
 - c. 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).

Regular attendance is highly recommended for this course. You should prepare for each class as specified on Sakai. In the event of an absence, you do **not** have to notify me. I will do my best to record each class (technical difficulties sometimes arise), but a synchronous remote option will not be provided. Class recordings will be posted on Sakai by 5pm.



Are you experiencing a hardship that causes you to miss more than a week's worth of classes and want support? Email me at econ101@unc.edu so we can set up a meeting.

2. **Conduct:** It is expected that you will respect your peers and the instructor with appropriate behavior while in class and that you will arrive to class on time, not leave class unnecessarily, and not distract others.
3. **Regrade Requests:** If you feel that your work has been graded unfairly, you may submit it for a regrade. However, your request must be submitted within one week of when the assignment's grade was posted. There are no exceptions to this rule. Regrade requests will be addressed by the person (me or the grader) that graded the assignment. 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. Follow this link to submit a regrade request for any work that you have submitted via Gradescope (<https://help.gradescope.com/article/8hchz9h8wh>).
4. **Late and/or Make-up Policy:** All due dates are firm, and no extensions or makeups will be given. I completely understand and sincerely empathize with the fact that sometimes health and/or personal/family emergencies take priority. Furthermore, sometimes your internet crashes, your computer gets a virus, Poll Everywhere glitches, you get the homework done early but then forget to submit it... It is for all these reasons and more that I build in drops. These drops are meant to cover all "life events," and so I do not additionally accept late assignments or provide makeups. Making exceptions to this policy for students on a case-by-case basis leads to inequities in how students are assessed, and this is something I work hard to avoid. I know of no better way to treat students fairly and equally than by applying the same standards and policies to all.

I do make exceptions **in the case of a severe and ongoing issue** when you must miss 3 or more

consecutive classes. In this case, please obtain a University Approved absence at the [University Approved Absence Office](#) and then communicate with me either before or during the week you return to class so that we can work out a plan for you together. If you contact me more than 5 days after you return, you will be unable to make up the missed work.

I do not offer makeup midterms. If you would like to take a midterm late not for credit but for practice and to receive grader feedback, you are welcome to do so; please contact me directly to schedule. If you miss an exam, notify me in advance of the exam, and have a University Approved Absence (<https://odos.unc.edu/student-support/class-absences/request-university-approved-absences>). If you miss a midterm exam and you have a University Approved Absence, I will replace the grade on that exam with the average of your other exam grades, i.e., the other 2 midterms and the final exam. Exams missed without an official approval or excuse will generally receive a reduced grade or a grade of zero.

5. **Extra Credit:** I do not offer extra credit. This is because if everyone knows about it, it's not really extra credit; it's just another assignment. If some people don't know about it (for instance, if a specific student asks for extra credit at the end of the semester), then I'm treating my students differently, which I make every effort to avoid.
6. **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.

7. **Syllabus Changes:** Although I intend to follow this syllabus as closely as possible, there may be times when deviations from the material presented herein are necessary. I reserve the right to make changes to the syllabus including due dates and test dates. These changes will be announced as early as possible so you can adjust your schedule.

University Resources and Policies

1. **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.

Are you registered with ARS? If so, I'm happy to work with you! Please send me an email with your accommodations through the ARS portal. For those with extended time on exams, please schedule your exam at the ARS testing center. The start time should be the same as the regular start time for the class. I **STRONGLY** recommend scheduling all your exams at the very beginning of the semester, as space at the testing center is limited. At a minimum, be sure to schedule at least 5 full business days prior to the exam. I will upload each exam to the ARS portal and request that ARS scan and return the exam to me via email. It is your responsibility to ensure you do not exceed your allotted time limit. There will be a 10-percentage point penalty for each 5 minutes over the time limit. 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. If you have any questions or would like to discuss your accommodations, please email me at econ101@unc.edu.

2. **The Learning Center:** Want to get the most out of this course or others this semester? Visit UNC's Learning Center at <http://learningcenter.unc.edu> to make an appointment or register for an event. Their free, popular programs will help you optimize your academic performance. Try academic coaching, peer tutoring, STEM support, ADHD/LD services, workshops and study camps, or review tips and tools available on the website.
3. **The Writing Center:** For free feedback on any course writing projects, check out UNC's Writing Center. Writing Center coaches can assist with any writing project, including multimedia projects and application essays, at any stage of the writing process. You don't even need a draft to come visit. To schedule a 45-minute appointment, review quick tips, or request written feedback online, visit <http://writingcenter.unc.edu>.
4. **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.
5. **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.

6. **Policy on Non-Discrimination:** The University is committed to providing an inclusive and welcoming environment for all members of our community and to ensuring that educational and employment decisions are based on individuals' abilities and qualifications. Consistent with this principle and applicable laws, the University's [Policy Statement on Non-Discrimination](#) offers access to its educational programs and activities as well as employment terms and conditions without respect to race, color, gender, national origin, age, religion, genetic information, disability, veteran's status, sexual orientation, gender identity or gender expression. Such a policy ensures that only relevant factors are considered and that equitable and consistent standards of conduct and performance are applied.

If you are experiencing harassment or discrimination, you can seek assistance and file a report through the Report and Response Coordinators (see contact info at safe.unc.edu) or the [Equal Opportunity and Compliance Office](#), or online to the EOC at <https://eoc.unc.edu/report-an-incident/>.

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
Aug. 15 – Aug. 17	Introduction to Sports Economics <ul style="list-style-type: none"> • Kesenne: Chapter 1 • Review of monopoly/cartel and competitive markets
Aug. 19 – Aug. 22	The Peculiar Economics of Team Sports and Antitrust Policy <ul style="list-style-type: none"> • Blair: Chapter 9
Aug. 24 – Sep. 2	Collusive Monopsony: The NCAA <ul style="list-style-type: none"> • Blair and Whitman (2017) • Sanderson and Siegfried (2018) • Zimbalist (2017)
Sep. 7 – Sep. 9	Market Size and Wins <ul style="list-style-type: none"> • Berri (Chapter 2)
September 12	Exam #1
Sep. 14 – Sep. 16	Comparison of European and American Professional Sports Leagues <ul style="list-style-type: none"> • Berri (Chapter 3: intro thru section 3.3) • Berri (Chapter 4: intro thru section 4.5) • Berri (Chapter 5: section 5.3)
Sep. 19 – Sep. 28	Measuring Competitive Balance <ul style="list-style-type: none"> • Berri (Chapter 4: section 4.6) • Humphreys (2002)
Sep. 30 – Oct. 5	Balancing Evolution <ul style="list-style-type: none"> • Berri (Chapter 4: sections 4.7 thru 4.9) • Treber, Levy, and Matheson (2013)
October 7	Exam #2
Oct. 10 – Oct. 14	Do Fans want Competitive Balance? <ul style="list-style-type: none"> • Berri (Chapter 4: section 4.10) • Coates, Humphreys, and Zhou (2014)
Oct. 17 – Oct. 19	Economic Impact of Sports on Local Communities <ul style="list-style-type: none"> • Baade and Matheson (2012) • Berri (Chapter 10)
Oct. 24 – Oct. 31	The Player Labor Market and Restrictions on Player Mobility <ul style="list-style-type: none"> • Kesenne (Chapters 3 and 5)

Nov. 2 – Nov. 4	Women and Sports: Gender (In)equality <ul style="list-style-type: none"> • Bachman and Higgins (2021) • Berri (Chapter 8: Intro – Section 8.2)
November 7	Exam #3
Nov. 9 – Nov. 18	Revenue Sharing and Salary Caps <ul style="list-style-type: none"> • Kesenne (Chapters 6 and 7) • Kesenne (2000)
Nov. 21 – Nov. 30	The Economic Value of Playing Talent <ul style="list-style-type: none"> • Berri (Chapter 6: intro thru section 6.1, and sections 6.5 thru 6.9)
December 8	Final Exam for ECON 485-001 (8:00am – 11:00am)
December 9	Final Exam for ECON 485-002 (12:00pm – 3:00pm)