TEACHING
THE
ECONOMICS
OF SPORTS

MICHAEL A. LEEDS
TEMPLE UNIVERSITY



### IT'S NOT JUST ANOTHER ELECTIVE

- Sports has an appeal that other sub-fields lack
- Monetary theory does not have a segment on the local news
- It is a way to attract students
  - Generates credit hours in itself
  - Stimulates interest in the major
- But
  - It shares difficulties with other sub-fields
  - It has a unique set of problems

#### OUTLINE

- Preliminaries how to structure your approach to the material
- Students confronting a unique set of challenges
- Technology proves to be particularly useful in a sports class
- Inclusion/exclusion sport serves as a metaphor for society

### WHAT IS THE COURSE ABOUT?

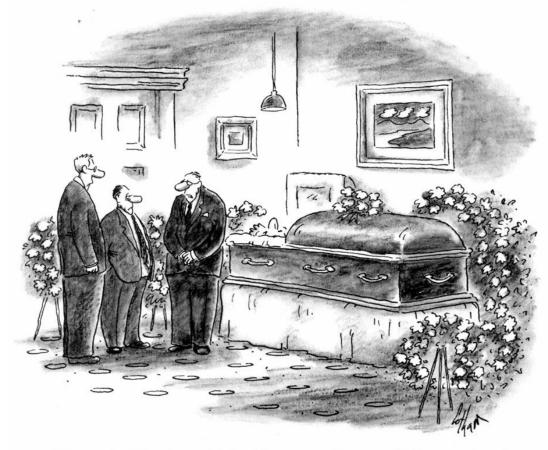
#### WHAT IS THE COURSE ABOUT?

- Is it a course about sports?
  - Use economic tools to analyze sports
  - Structure the course around sports, leagues or teams
    - Why is the NFL so much more successful than the NHL?
  - Sports analytics
    - Is James Harden overrated?

#### WHAT IS THE COURSE ABOUT?

- Is it a course about sports?
  - Use economic tools to analyze sports
  - Structure the course around sports, leagues or teams
  - Sports analytics Is James Harden overrated?
- Is it a course about economics?
  - Use sports as a Trojan horse to teach economics
  - Structure the course around economic concepts
  - The industrial organization/public finance/labor economics of sports

#### MAKE YOUR CHOICE KNOWN!



"I promised her I wouldn't talk sports at least until the reception."

#### **TEXTBOOKS**

- At least 4 textbooks emphasize the *Economics* of sports
  - Blair; Fort; Kesenne; Leeds, von Allmen, and Matheson
  - All cover IO and Labor
  - Kesenne does not cover PF perhaps because it is Euro-centric?
- Whatever you choose it will be obsolete by the time you use it
  - 2020 alone saw: the 2020 Olympics cancelled and "Russia" banned; brief strikes in several major sports; and two franchises' changing their names
  - Teaching only from the textbook is not an option!

#### SETTING EXPECTATIONS

- Particularly important in this course
- Many (mostly male) students are overconfident because they think:
  - The course will be easy because they are big sports fans
  - We will spend the class talking about the local sports team
- Many (mostly female) students are terrified because they think:
  - They will fail because they do not know the infield fly rule
- You must warn/assure them that they will be tested on the Economics

#### DEALING WITH DIVERSE SKILLS

- One of the joys of the course is the wide range of students it attracts
- This also means that you have huge differences in interests and skills
  - MathEcon majors who want to develop a new sports analytics algorithm
  - Journalism majors who want to be sports reporters
  - English majors who are on the gymnastics team
- You must develop a class that will interest and challenge all of them
- You should plan on spending a lot of time in office hours

# TECHNOLOGY: GETTING STUDENTS UP TO SPEED

- Students often have forgotten or never knew basic concepts
  - This is a problem for all electives
  - But it is especially acute here
  - Time spent reviewing basic theory is time not spent on course material
- One solution record "mini-lectures"
- Give an incentive with short quizzes on LMS
  - Due before the relevant class

# TECHNOLOGY: FILM CLIPS

- They can impress economic concepts
  - Comparative Advantage: Peggy Fleming (1968) v. Mao Asada (2010)
  - Rank-order tournaments: Kevin Costner's monologue in Bull Durham
- They can make the past more immediate
  - Leni Riefenstahl's Olympia as an introduction to the "Nazi" Olympics
  - Chart racial attitudes in boxing with Jack Johnson and Louis v. Schmeling
- They can be an entertaining "ice-breaker"
  - George Carlin on baseball v. football

## TECHNOLOGY: ACCESS TO DATA

- Sports have abundant data
- This makes empirical papers easy to assign
  - Economics of Sports can be a good "writing intensive" course
  - But diverse skills even greater when it comes to econometrics
- One good "middle ground": pechakucha
  - A stylized slide presentation
  - 20 slides for 20 seconds each
  - Only pictures no words I amend to allow 4 slides with data/graphs
  - Best for small classes

#### EXPANDING STUDENTS' HORIZONS

- Most students are US-centric
  - They know little about foreign sports or foreign societies
  - If they know any foreign sport it is likely the English Premier League
- Sports can introduce students to foreign cultures
- Example Nippon Professional Baseball can teach students about Japan
  - Why can NPB games end in ties?
  - Why does experience play such a large role in NPB salaries?
  - Why don't most NPB teams have cities in their names?

#### TACKLING DIFFICULT ISSUES

- Sports have allowed me to treat discrimination in an "arms-length" manner
  - Kahn and Scherer (1988) on racial discrimination in the NBA
  - Students responded very enthusiastically
- There are, sadly, always new examples
  - Black Lives Matter
  - Franchise name changes
- One issue that has affected my outlook gender identification
  - Need for a binary classification
  - Runners like Castor Semenya and Duttee Chand do not fit easily