

GEORGE MASON UNIVERSITY
School of Recreation, Health, and Tourism
SPMT 612 Economics and Financial Management in the Sport Industry
Spring 2011

DAY/TIME:	Tues/4:30pm & Thurs/7:20pm	LOCATION:	Tues: BRH 249 Thurs: BRH 247
PROFESSOR:	Halsell	EMAIL ADDRESS:	J.I.Halsell@SalaryCap101.com
OFFICE LOCATION:	BRH	PHONE NUMBER:	
OFFICE HOURS:	Thurs, 2:00 – 7:00pm	FAX NUMBER:	Scan & Email to address above
CREDITS:	3 hours		

PREREQUISITES:

COURSE DESCRIPTION

This course is an advanced examination of principles of economics, budgeting, and finance as it applies to the sport industry.

COURSE OBJECTIVES

The student will be able to:

1. Interpret financial statements, spreadsheets, and principles of accountability in sport organizations.
2. Identify sources of revenue for financing sport, including public sector vs. private sector, etc
3. Describe principles of budgeting, including types, development, for-profit and not-for-profit and use as a method of control, organization, and reallocation.
4. Develop an understanding of financial management for sport entities.
5. Assess the present economic status of the sports industry and the role of television in sports.
6. Apply economic impact principles, competitive strategy (supply and demand), and economic theory in sport manufacturing and service industries, labor relations, stadiums and arenas.
7. Identify the application of economic theory across amateur, professional, intercollegiate sports and the sport-club industry.
8. Synthesize and apply knowledge of economic and financial principles in sport.
10. Comprehend and apply the interrelation of development activities, financial management, and economics in the sport industry.
11. Describe the economic growth of the sport industry in the 20th century.
12. Assess the economic impact of sport venues and events

COURSE OVERVIEW:

The learning experiences in this course are afforded through assignments, class participation, lecture, notes, discussion, group activities, technology, assisted activities, and a variety of additional instructional approaches that will offer ample opportunities to meet the course objectives. Course content includes, but is not limited to, the following: Principles of budgeting - types, purpose of budgeting, how designed, for-profit vs. not for profit, advantages and disadvantages of each type; Practical budgeting -design of budget types by component categories, event, facilities, professional, university/college athletic, university recreation, etc.; Economic principles - scarcity, equilibrium, demand curve, supply curve, utility, law of diminishing marginal utility, etc; Sources of revenue - public, private, government; Fund raising methods - licensing, sponsorship, concessions, admissions (ticketing), private donors; Theories and methods of financial planning - short term vs. long term investments, liquidity, risk, maximizing profits, treasuries, CDs; Computer program/internet - familiarization with Internet as a research tool; Spreadsheet utilization as financial management tool (e.g. Excel, Lotus, Quattro Pro, Quicken Quickbooks); Economic impact - its use and abuse, multipliers and coefficients, case studies; Economic impact of venues and events; Methods of financing venues - bonds, public taxation, corporate naming rights, and personal seat licenses; Basic accounting principles - assumptions, balance sheets, income statements, depreciation; and Economic relationships between sport and the media.

HONOR CODE:

George Mason shares in the tradition of an honor system that has existed in Virginia since 1842. The Honor Code is an integral part of university life. On the application for admission, students sign a statement agreeing to conform to and uphold the Honor Code. Students are responsible, therefore, for understanding the code's provisions. In the spirit of the code, a student's word is a declaration of good faith acceptable as truth in all academic matters. Cheating and attempted cheating, plagiarism, lying, and stealing of academic work and related materials constitute Honor Code violations. To maintain an academic community according to these standards, students and faculty must report all alleged violations to the Honor Committee. Any student who has knowledge of, but does not report, a violation may be accused of lying under the Honor Code. With this in mind, all students in this course are held to the strictest standards of the George Mason University Honor Code.

STUDENT SUPPORT:

Any eligible student with an exceptionality documented through George Mason University's Disability Resource Center must notify the instructor so that suitable accommodations can be implemented. The notification should take place during the first week of classes.

Expectations:

1. All assigned reading for each class is to be completed prior to coming to class.
2. All written assignments must be typed.
3. Regular attendance and participation is expected. If you miss a class, it is your responsibility to obtain class materials from sources other than the instructor.
4. Students must abide by the Honor Code, guided by the spirit of academic integrity.

Class Attendance:

It enhances your academic success to be in class; therefore, you should attend ALL scheduled class meetings in accordance with George Mason policy: Students are expected to attend the class periods of the courses for which they register. In-class participation is important not only to the individual student, but to the class as a whole. Because class participation may be a factor in grading, instructors may use absence, tardiness, or early departure as de facto evidence of nonparticipation. Students who miss an exam with an acceptable excuse may be penalized according to the individual instructor's grading policy, as stated in the course syllabus.

Participation:

Respect the free exchange of thought in an academic environment and the participants therein. For example: a) do not have any sound emitting devices turned on; b) wait until the teacher/guest speaker has finished prior to gathering your belongings; and c) do not smoke, chew tobacco, eat, sleep, disrupt others by inappropriate talking, or disrespect the class schedule by being tardy. You are encouraged to a) feel free to openly and respectfully contribute your thoughts; b) listen actively to the comments of others; c) be punctual; d) ask any and all appropriate questions that you have; and e) maintain civility in your interpersonal communications. Class discussions will be conducted in a civil, informed fashion wherein disruptive students will be asked to leave the class. Your contributions are not only welcomed, they are essential.

Alternative Work:

There is NO make-up work. Only those excused absences supported by documentation will be addressed at the instructor's discretion on an individual basis (e.g. a physician's note for an illness). Alternative work due to intercollegiate athletic competitions or other legitimate university activity must be arranged PRIOR to due date. A grade of '0' will be assigned to all missed work unless otherwise determined by the instructor. ***There will be NO extra credit!!!***

Further, upon completion of this course, students will meet the following professional accreditation standards:
SMPRC: NASSM-NASPE Standards

STANDARD 8: FINANCIAL MANAGEMENT IN SPORT	REQUIRED CONTENT (All topics must be addressed)	Primary or Secondary
8	Principles of budgeting - types, purpose of budgeting, how designed, for-profit vs. not for profit, advantages and disadvantages of each type	P
8	Practical budgeting -design of budget types by component categories, event, facilities, professional, university/college athletic, university recreation, etc.	P
8	Economic principles - scarcity, equilibrium, demand curve, supply curve, utility, law of diminishing marginal utility, etc.	P
8	Sources of revenue - public, private, government	P
8	Fund raising methods - licensing, sponsorship, concessions, admissions (ticketing), private donors	P
8	Theories and methods of financial planning - short term vs. long term investments, liquidity, risk, maximizing profits, treasuries, CDs	P
8	Computer program/internet - familiarization with Internet as a research tool	P
8	Spreadsheet utilization as financial management tool (e.g. Excel, Lotus, Quattro Pro, Quicken Quickbooks)	P
8	Economic impact - its use and abuse, multipliers and coefficients, case studies	P
8	Economic impact of venues and events	P
8	Methods of financing venues - bonds, public taxation, corporate naming rights, and personal seat licenses	P
	RECOMMENDED CONTENT (50% must be addressed)	
8	Basic accounting principles - assumptions, balance sheets, income statements, depreciation	P
8	Economic relationships between sport and the media	P

REQUIRED READINGS

Readings will include current articles and news in sport management (e.g. Sport Business Journal, Journal of Sports Economics, Athletic Business, International Journal of Sport Management, etc.)

Required Text:

Fort, R. (2011). *Sport Economics*. Upper Saddle River, NJ: Prentice Hall.

Optional Texts Include:

Sawyer, T.H., Hypes, M.G., & Hypes, J.A. (2004). *Financing the sport enterprise*. Champaign, IL: Sagamore Publishing.

Fried, G., Shapiro, S., & Deschraver, T. (2003). *Sport finance*. Champaign, IL: Human Kinetics Publishers.

Howard, D., & Crompton, J. (1995). *Financing sport*. Morgantown, WV: Fitness Information Technologies.

Brayley, R., & McLean, D. (1999). *Managing financial resources in sport and leisure service organizations*. Champaign, IL: Sagamore Publishing.

Graham, P. (1994). *Sport business*. Madison, WI: Brown & Benchmark Publishers.

EVALUATION

Assessment Activities:

Assessment of student objectives could include, but is not limited to, successful completion of a combination of quizzes, exams, written and/or oral projects/presentations, and regular in-class and/or out-of-class assignments.

Grading Scale	B+ = 88 – 89	C+ = 78 – 79	
A = 94 – 100	B = 84 – 87	C = 74 – 77	
A- = 90 – 93	B- = 80 – 83	C- = 70 – 73	F = 0 – 69

TENTATIVE COURSE SCHEDULE:

DATE		TOPIC	READINGS/ASSIGNMENT DUE
	Week 1	Introduction to Sports Economics & Finance. Discussion of current events & issues impacting the economics of sport.	
	Week 2	Demand & Sports Revenue	
	Week 3	Sports Broadcast Rights	
	Week 4	Team Cost, Profit, & Winning	
	Week 5	Leagues, Team Location, Expansion, & Negotiations	
	Week 6	Impact of Competitive Balance	
	Week 7	The Value of Sports Talent	
	Week 8	The History of Player Pay	
	Week 9	Labor Relations in Pro Sports	
	Week 10	Negotiating a Player Contract	
	Week 11	Government's Impact on Sports Business	
	Week 12	Stadium Financing	
	Week 13	Taxes & Antitrust Implications on Sport	
	Week 14	The NCAA	
	Week 15	End of Semester Presentations	

Note: Faculty reserves the right to alter the schedule as necessary.



- ❖ All students are held to the standards of the George Mason University Honor Code [See <http://www.gmu.edu/catalog/apolicies/#Anchor12>]
- ❖ University policy states that all sound emitting devices shall be turned off during class unless otherwise authorized by the professor
- ❖ Students with disabilities who seek accommodations in a course must be registered with the Disability Resource Center (DRC) and inform the instructor, in writing, at the beginning of the semester [See www.gmu.edu/student/drc]
- ❖ For additional School of Recreation, Health, and Tourism information, please visit the website at <http://rht.gmu.edu>