

GEORGE MASON UNIVERSITY
School of Recreation, Health, and Tourism
SPMT 420: Section 002 - Economics & Finance in the Sport Industry
SPRING Term 2016 (Jan. 19 – May 11, 2016)

Instructor: Steven Dillingham, Ph.D., LL.M., MBA

Time: Mondays, 7:20 – 10:00 pm **Location:** Robinson, Room B106 **Credits:** 3 hours

Office Hours: By appointment **Email:** sdilling@gmu.edu **Phone:** 703-993-4086

PREREQUISITES: See GMU catalog: “Completion of 60 hours, including SPMT 201, or permission of instructor; Prerequisite enforced by registration system.” (Please obtain your advisor’s approval for any exceptions.)

COURSE DESCRIPTION: This course examines the principles of economics and finance as it applies to the sport industry, and strategic planning and budgeting applications.

COURSE OBJECTIVES: The student will be able to:

1. Apply economic principles in sport, including competitive strategy (supply and demand), and economic theory to sport industries, labor and stadiums/ arenas.
2. Identify the application of economic theory across professional and intercollegiate sports.
3. Identify sources of revenue for financing sport, including public sector and private sector.
4. Apply knowledge of key financial principles and promising practices for building and advocating strategic plans and business cases in sport.
5. Recognize key financial principles applicable to sport organizations.
6. Describe principles of budgeting, including types, development, for-profit and not-for-profit and use as a method of control, organization, and reallocation.
7. Develop an appreciation of financial planning and management for sport facilities.
8. Assess the financial status of the sports industry and the role of television in sports.
9. Develop an appreciation of the interrelation of business strategic planning, financial management, and economics in the sport industry.
10. Describe the economic growth of the sport industry, including the economic impact of sport venues and events, at the professional and collegiate levels.

COURSE DELIVERY: Face-to-Face

COURSE OVERVIEW:

The learning experiences in this course are afforded through assignments, class participation, lecture, notes, discussion, team/group activities, technology, assisted activities, and a variety of additional instructional approaches that will offer opportunities to meet the course objectives. Course content includes, but is not limited to, the following:

Application of micro and macro-economic principles in sport, including:

Economic growth of the sport industry; Concepts of competitive strategy (supply and demand) in sport; Economic

impact principles in sport; Economic theory applied to sport manufacturing and service industries; Economic theory applied to sports; Economic perspectives in labor relations in sports; Economic theory applied to sport stadiums and arenas; Economic theory applied to intercollegiate sports; Impact of the television industry on professional and intercollegiate sports; Economic impact of sport venues and events; Infrastructure importance to competitive strategies in sport manufacturing and service industries.

Application of finance, accounting and budgeting principles in sport, including: Use of financial statements in sport; Sources of revenue for financing in sport (e.g., public sector vs. private sector, governments, membership, fees, PLS, taxes, bonds, etc.); Principles of budgeting in sport; Budgets as a method of control, organization, and reallocation in sport; Budget development in sport; Financial management of sport facilities; Present financial status of the sports industry - collegiate, professional, private, manufacturers; Concessions and merchandising in sport - trademark licensing, inventory, cost control, cash management; For profit and not-for-profit budgeting in sport; Development and sport fund-raising principles and methodology (campaigns, alumni, auctions); Development and presentation of business plans in sport.

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 alleged violations to the Honor Committee. 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. Assigned reading for each class is to be completed prior to coming to class.
2. Written assignments must be typed and printed (i.e., using standard word processing).
3. Regular attendance and active class participation is expected.
4. If you miss a class, it is your responsibility to obtain class materials / notes from sources other than the instructor.

CLASS ATTENDANCE AND PARTICIPATION:

Class attendance enhances your academic success; 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 to the individual

student and to the class as a whole. Because class participation is a factor in grading, absence, tardiness, or early departure may be considered in evaluating participation.

Any student who does not attend at least 60% of the classes will not pass the course.

Absences or tardiness may result in lower grade. Students who miss a test, exam or scheduled class presentation must receive the instructor's permission for any make-up (at instructor's discretion). Absences should be communicated to instructor in advance whenever possible.

CLASSROOM DECORUM AND BEHAVIOR:

Respect the free exchange of thought in an academic environment and the participants therein. For example: a) do not engage in distracting behaviors (e.g., use of electronic devices and texting) or have any distracting or sound emitting devices turned on; b) wait until the teacher/guest speaker has finished prior to gathering your belongings; c) do not eat, sleep, or disrupt others by inappropriate talking, and d) do not disrespect the class schedule by being tardy. You are encouraged to: a) openly and respectfully contribute your thoughts; b) listen attentively to others; c) be punctual; d) ask appropriate questions; and e) maintain civility. Disruptive students will be asked to leave the class. Your contributions are welcomed and promote learning. The use of laptops and other devices may be restricted in class.

ALTERNATIVE WORK:

Make-up work is not allowed in this class (except in very exceptional circumstances that are subject to the discretion and approval of the professor). Excused absences supported by documentation will be addressed at the instructor's discretion on an individual basis (e.g., physician's note regarding illness). Alternative work due to intercollegiate athletic competitions or other legitimate university activity must be arranged in advance and prior to due date. A grade of zero ('0') will be assigned to all missed work unless otherwise determined by the instructor.

REQUIRED READINGS:

Class Preparation: Readings will include assigned chapters within the text and/or current articles and news in sport management to be determined by instructor. Students may be required to be prepared each week with a reading (article, internet item, etc.) directly related to the course content for class discussion.

Required Texts (library reserve copies available for 2hr. check-out at Johnson Center):

Leeds, M.A. & Allmen, P. (2014). *The Economics of Sports, 5th Ed.* Upper Saddle River, NJ: Pearson.

Howard, D.R. & Crompton, J.L. (2014). *Financing Sport, 3rd Ed.* Morgantown, WV: West Virginia University.

Instruction notice: Guest speakers and class presentations may be utilized to expand upon topics covered in the assigned readings and class lectures. Professor may assign supplemental readings.

EVALUATION:

Graded Assessment:

Assessment of student objectives and performance will 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. Requirements and expectations for grading may be further modified and explained in class (e.g., potential opportunities for extra credit):

- a) Class Assignments and Class Participation: 25% of final grade. Class assignments and participation may include short class assignments for submission and class discussion.
- b) Mid-term: 25% of final grade. A mid-term test will be given for assigned readings and topics covered in class. The test will include multiple choice, True/False and short answers.
- c) Final Exam: 25% of final grade. A final examination will be given for assigned materials and topics covered in class. The exam will primarily cover topics covered in class after the Mid-term. The test will include multiple choice, True/False and short answers.
- d) Team / Group Project: 25% of final grade. Team projects (e.g., business and strategic plans) must be approved by the professor and presented in class. If a student desires approval of an individual project (e.g., project relating to the individual's employment or professional interest), it must be discussed and approved in advance.

Grading scale (subject to potential extra credits, referenced above):

A = 93-100 A- = 90-2 B+ = 88-9 B = 83-7 B- = 80-2 C+ = 78-9
C = 73-7 C- = 70-2 D = 60-9 F = 0-59

COURSE SCHEDULE (Tentative - Instructor may modify as course progresses):

Readings:	<u>Economics text</u>	<u>Finance text</u>
Class 1 (Jan. 25)	Ch. 1	Ch. 1
Class 2 (Feb. 1)	Ch. 2	Ch. 2
Class 3 (Feb. 8) (<i>Note: 4:30 SPMT event</i>)	Ch. 3	Ch. 3
Class 4 (Feb. 15)	Ch. 4	Ch. 4
Class 5 (Feb. 22)	Ch. 5	Ch. 5
Class 6 (Feb. 29)	Ch. 6	Ch. 6 & 7

(*Note: Mar. 2, SPMT event option -6 pm*)

SPRING BREAK (Mar. 7)

Class 7 (Mar. 14) (<u>Mid-term</u>)	Ch. 7	Ch. 8
Class 8 (Mar. 21) (assignment due)	Ch. 8	Ch. 9
Class 9 (Mar. 28)	Ch. 9	Ch. 10
Class 10 (Apr. 4)	Ch. 10	Ch. 11
Class 11 (Apr. 11)	Ch. 11	Ch. 12
Class 12 (Apr. 18)	[TBD/Team projects]	Ch. 13
Class 13 (May 2)	[TBD/Team projects]	Ch. 14

FINAL EXAM (May 9) (7:30 –TBD)

EVENTS (following of special interest to SPMT Majors this term; others to be announced):

- 1) **Alumni Communications Panel.** Event will be held in conjunction with Professor Charley Casserly's class. Open to all SPMT students (Feb 8th in the JC, Room A, 3rd Floor, 4:30-7:10pm). Panel will explain the importance of improving communication skills for those that want to work in the sports industry.
- 2) **The second annual Career Social (March 2nd, Hub 1, 6-8:00pm).** SPMT Students encouraged to attend. Suggested that attendees wear attire suitable for an interview. Last year event included representatives from 40 different employers.

RECOMMENDED READINGS (OPTIONAL/ RESEARCH):

Abrams, R. (2014) *Successful Business Plan, 6th Ed.* Palo Alto, CA: PlanningShop.

Bennett, J.T. (2012). *They Play, You Pay.* New York, NY: Springer-Science+Business Media.

Clotfelter, C.T. (2011). *Big-Time Sports in American Universities.* New York, NY: Cambridge University.

Conrad, M. (2011). *The Business of Sports, 2nd Ed.,* New York, NY: Routledge.

Delaney, K.J. & Eckstein, R. (2003). *Public Dollars, Private Stadiums.* New Brunswick, NJ: Rutgers University.

Dosh, K. (2013) *Saturday Millionaires.* New York, NY: Wiley.

Fizel, J. & Fort, R. (2004). *Economics of College Sports.* Westport, CT: Greenwood Publishing Group.

Gaul, G.M. (2015). *Billion-Dollar Ball.* New York, NY: Viking.

Noll, R.G. & Zimbalist (1997). *Sports, Jobs & Taxes.* Washington, DC: The Brookings Institution.

Rein, I., Shields, B. & Grossman, A. (2015) *The Sports Strategist.* New York, NY: Oxford University.

Rich, W.C. (2000) *The Economics and Politics of Sports Facilities.* Westport, CT: Quorum.

Sheen, Raymond (2015) *HBR Guide to Building Your Business Case.* Boston, MA: Harvard Business Review.

Thelin, J.R. (1994) *Games Colleges Play.* Baltimore, MD: Johns Hopkins University.

Syllabus Highlights

Student Expectations

- Students must adhere to the guidelines of the George Mason University Honor Code [See <http://oai.gmu.edu/the-mason-honor-code/>].
- Students with disabilities who seek accommodations in a course must be registered with the George Mason University Office of Disability Services (ODS) and inform their instructor, in writing, at the beginning of the semester [See <http://ods.gmu.edu/>].
- Students must follow the university policy for Responsible Use of Computing [See <http://universitypolicy.gmu.edu/policies/responsible-use-of-computing/>].
- Students are responsible for the content of university communications sent to their George Mason University email account and are required to activate their account and check it regularly. All communication from the university, college, school, and program will be sent to students solely through their Mason email account.
- Students must follow the university policy stating that all sound emitting devices shall be turned off during class unless otherwise authorized by the instructor.

Campus Resources

- The George Mason University Counseling and Psychological Services (CAPS) staff consists of professional counseling and clinical psychologists, social workers, and counselors who offer a wide range of services (e.g., individual and group counseling, workshops and outreach programs) to enhance students' personal experience and academic performance [See <http://caps.gmu.edu/>].
- The George Mason University Writing Center staff provides a variety of resources and services (e.g., tutoring, workshops, writing guides, handbooks) intended to support students as they work to construct and share knowledge through writing [See <http://writingcenter.gmu.edu/>].
- For additional information on the College of Education and Human Development, School of Recreation, Health, and Tourism, please visit our website [See <http://rht.gmu.edu>].

PROFESSIONAL BEHAVIOR: Students are expected to exhibit professional behaviors and dispositions at all times.

CORE VALUES COMMITMENT: The College of Education and Human Development is committed to collaboration, ethical leadership, innovation, research-based practice, and social justice. Students are expected to adhere to these principles.

