Instructor: Dr. Patrick Withey

Lectures: 8:15 AM–9:30 AM Tuesday and 9:45-11:00 AM Friday

Office: Nicholson Tower 504

Office Hours: Tuesday 10:00-11:00 AM and 12:35-2:00 PM; Friday 11:05-12:00 and 2:00-3:00 PM; or by appointment

Personal web page: http://people.stfx.ca/pwithey

Course web page: Moodle

Email: pwithey@stfx.ca

Course Description (Calendar):

This course includes topics related to choices about the time individuals do not spend working. It deals with aspects of the economics of leisure and labour supply; the valuation of time; outdoor recreation; the economics of sports; the economics of dating and marriage; the economics of crime and the consumption of addictive goods; the economics of gambling and other addictive behaviour associated with the consumption of leisure, and the economics of the entertainment industry. Prerequisite: ECON 101. Three credits.

Course Goals:

The goal of this course is to use economic tools to understand how individuals spend their leisure time. We first develop a model of labour-leisure trade-off, and then examine economic issues associated with various industries in which individuals spend their leisure time. For instance, we will evaluate the video game and music industries, and evaluate the sports industry in depth. The course will use basic economic theory to evaluate issues related to leisure and the allocation of resources in sports and recreation, and statistical analysis to evaluate data used in the sports industry.

Optional Textbooks:

There is no required textbook for this course. I will make relevant class notes available, and many readings and resources will be available for free on the internet or through the library. The following materials will be available to you in the library:


The following optimal textbook may also be of use, but is not available at the library: Leeds, M. and P. Von Allmen. The Economics of Sports. Routledge, 2016.

Several articles will also be discussed in class. Many of these articles can be found online, and are included in your reading list below.

Prerequisites: Econ 101

Grading:

Your final grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Midterm 1</td>
<td>30%</td>
<td>Tuesday, Feb 14</td>
</tr>
<tr>
<td>Assignments</td>
<td>20%</td>
<td>Friday, February 3 and Tuesday, March 14</td>
</tr>
<tr>
<td>Final examination</td>
<td>50%</td>
<td>TBA</td>
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</tbody>
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You will take one midterm test during the term. You will be tested on material from lectures, optional textbooks and any supplemental reading that may be assigned. You must write the final exam in order to pass the course. The final examination will be set by the examinations office and covers material from the entire course. You will also write two assignments in this course.

SYLLABUS

The following represents a tentative list of topics, as well as a tentative reading list. I may add or remove required readings as the term progresses.
1. Labour leisure trade off: Theory of work and leisure, labour supply. Barro Ch.2
   a. Empirical evidence  Grafton and Taylor Ch. 3

2. Economics of the video game industry

3. Economics of the entertainment industry: music

4. Economics of crime
   a. Economics of criminal activity. How much is too much crime? Fellows Ch. 4
   b. Markets for illegal goods Parkin and Bade Ch. 7
      i. Issues with legalization/distribution of Marijuana
         https://carleton.ca/economics/2015/professor-frances-woolley-marijuana-lcbo/

5. Economics of the consumption of addictive goods: alcohol and tabaco use
   b. Theory of tax: Parkin and Bade Ch. 6
c. Impact of price on alcohol use
   i. Price Elasticity of Demand for Alcohol  
      https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3722038/

d. Pricing in Canada:

6. Economics of tourism and outdoor recreation
   a. Field, B. Ch. 17

7. Economics of uncertainty
   a. Basic Statistics and Probability Theory. Mansfield Ch.’s 2, 3 and 4
   b. Gambling: lotteries, roulette, proline, March Madness

8. Economics of Sports
      i. Parkin and Bade Ch.’s 12-15, 18
   b. Introduction: the Economics of Sport
      i. Grafton and Taylor, Chapter 4.
      iv. Business of sports: Industry make-up; value of major events
      v. Economic theory: sports as profit-maximizing firms; team value and winning; monopoly; competitive balance Leeds Ch.’s 3-5
c. Labour and sports: salary determination; monopsony (NCAA); unions and free-agency; lockouts  Leeds Ch.’s 8-10

d. Public finance
   i. Background: Cost Benefit Analysis and Net Present Value
   ii. Stadiums and expansion

e. Empirical studies and analytics in sports
   i. Review of basic statistics and regression (Mansfield)
   ii. Overview of advanced analytic data used in NHL, NBA, MLB
   iii. Economics of Sports: Empirical Studies
Policies:

**Approach to the course and class participation:** Students are expected to attend all classes and be present in class on time. For each topic, I will first provide some background economic analysis, which will be followed by a class discussion. Much of the background will come from my lecture notes, making class attendance extremely important. Lecture slides will be posted online, but will be incomplete. Students will be responsible for ALL material presented during lectures. Students are expected to prepare for each week of lectures by reading the assigned readings and are expected to actively engage in class discussions. Exam questions will typically consist of short answer questions and will require you to critically analyze issues using economic theory, as we will do during discussions in class.

**Missed midterm exams:** There will be no make-up midterm exams. If you miss the midterm exam and provide evidence of an illness, accident or family affliction, then the weight of the midterm will be placed on the final.

**Travel Plans:** Students are advised not to make travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. *There will be no special accommodation if travel plans conflict with the examination.*

**Plagiarism and Cheating:** Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Students who are found to have engaged in unethical academic behavior, including the practices described on page 13-14 of the Calendar or available online at www.sites.stfx.ca/registrar's_office/academic_integrity, are subject to penalty by the University.