

GEORGE MASON UNIVERSITY
School of Recreation, Health, and Tourism
SPMT 612.001--Economics and Finance in the Sport Industry (3)
Fall 2014

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|------------------|---------------------------|----------------|--|
| DAY/TIME: | W 4:30-7:10 pm | LOCATION: | Bull Run Hall 247 |
| PROFESSOR | Robert Baker | EMAIL ADDRESS: | rbaker2@gmu.edu |
| OFFICE LOCATION: | Bull Run (PW) Finley (FX) | PHONE NUMBER: | 703-993-3727 |
| OFFICE HOURS: | Before class/by appt | FAX NUMBER: | 703-993-2025 |
| PREREQUISITES | Graduate standing | | |

COURSE DESCRIPTION

Examines principles of economics, budgeting, and finance as they apply 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. Understand 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, discussions inside and outside class, film and video material.

NATURE OF COURSE DELIVERY

The class will be a hybrid, individualized format. It will have substantive online components and will require active initiative and independent work by the student.

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.

EXPECTATIONS

1. All assigned reading for each class is to be completed prior to coming to class.
2. Completion of assignments and participation (online or face-to-face) is expected.
3. Students must abide by the Mason Honor Code, guided by the spirit of academic integrity.

PROFESSIONAL ASSOCIATION PRINCIPLES

Courses offered in the Sport and Recreation Studies (SRST) graduate program are guided by the principles of the Commission of Sport Management Accreditation (COSMA). COSMA (2010, p. 1) “bases its accrediting process on principles, rather than standards.” The eight recommended principles are:

- outcomes assessment;
- strategic planning;
- curriculum;
- faculty;
- scholarly and professional activities;
- resources;
- internal and external relationships; and
- educational innovation.

For more information, please see:

Commission of Sport Management Accreditation. (2010, June). *Accreditation principles and self study preparation*. Retrieved November 23, 2013 from <http://cosmaweb.org/accredmanuals>

REQUIRED TEXTS

Winfrey, J. A., & Rosentraub, M. S. (2011). *Sports finance and management: Real estate, entertainment, and the remaking of the business*. Boca Raton, FL: CRC Press.

Sports Business Journal (required)

Related reference texts:

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

Fried, G., Shapiro, S., & Deschriver, T. (2013). *Sport finance (3rd ed.)*. Champaign, IL: Human Kinetics Publishers.

Howard, D., & Crompton, J. (2014). *Financing sport (3rd ed.)*. Morgantown, WV: Fitness Information Technologies.

Rosner, S. R., & Shropshire, K. L. (2011). *The business of sports (2nd ed.)*. Sudbury, MA: Jones & Bartlett

Brayley, R., & McLean, D. (2008). *Managing financial resources in sport and leisure service organizations (2nd ed.)*. Champaign, IL: Sagamore Publishing.

Fort, R. (2003). *Sport economics*. Upper Saddle River, NJ: Prentice Hall.

ASSESSMENT

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| Two Text-based Quizzes: | 30% |
| Final Project and Paper: | 40% |
| Discussion Board Participation: | 30% |

The final project is a comprehensive: a) valuation of a sports-related enterprise (e.g., the SEC television network, the new women’s professional soccer league, the new stadium for DC United) reflecting the techniques and concepts presented in the text; b) an economic impact report for a specific sport event and location; c) the development of a budget (including revenues and expenses, as well as justifications for each expenditure) and subsequent accounting system for a specific sport organization; or d) another

project agreed upon with instructor (e.g. real estate development, ticketing/pricing policy, media revenue, capital campaign or fundraising plan). A written report (of 12-20 pages in length) will be expected

Discussion Board posts are given in which students respond to an instructor post. Topics are assigned by the professor and will often relate to the *Sports Business Journal*.

GRADING SCALE

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| 94-100 = A | 80-83 = B- |
| 90-93 = A- | 70-79 = C |
| 88-89 = B+ | 0-69 = F |
| 84-87 = B | |

TENTATIVE COURSE SCHEDULE:

| DATE | | TOPIC | READINGS/ASSIGNMENT DUE |
|------|---------|--|-------------------------|
| | Week 1 | Principles of budgeting - types, purpose of budgeting, how designed, for-profit vs. not for profit, advantages and disadvantages of each type | varied |
| | Week 2 | Practical budgeting -design of budget types by component categories, event, facilities, professional, university/college athletic, university recreation, etc. | |
| | Week 3 | Basic accounting principles - assumptions, balance sheets, income statements, depreciation | |
| | Week 4 | Spreadsheet utilization as financial management tool (e.g. Excel, Quickbooks, Lotus, QuattroPro, Quicken) | |
| | Week 5 | Economic principles - scarcity, equilibrium, demand curve, supply curve, utility, law of diminishing marginal utility, etc. | |
| | Week 6 | Economic principles - scarcity, equilibrium, demand curve, supply curve, utility, law of diminishing returns | |
| | Week 7 | Sources of revenue - public, private, government | |
| | Week 8 | Fund raising methods - licensing, sponsorship, concessions, admissions (ticketing), private donors | |
| | Week 9 | Theories and methods of financial planning - short term vs. long term investments, liquidity, risk, maximizing profits, treasuries, CDs | |
| | Week 10 | Computer program/internet - familiarization with Internet as a research tool | |
| | Week 11 | Economic impact - its use and abuse, multipliers and coefficients, case studies | |
| | Week 12 | Mega Events, Sport Tourism, Economic impact of venues and events | |
| | Week 13 | Ticketing and Memberships | |
| | Week 14 | Methods of financing venues - bonds, public taxation, corporate naming rights, and personal seat licenses | |
| | Week 15 | Economic relationships between sport and the media | |

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

TENTATIVE COURSE SCHEDULE

Part One: Background, Principles of Financial Analysis

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| Aug. 27 | Introduction, Chapter One |
| Sept. 2 | Ownership Structure, Chapter Two |
| Sept. 9 | Financial Statement Analysis, Chapter Three |
| Sept. 16 | Valuation, Chapter Eight |
| Sept. 23 | Legal and Organizational Policy, Chapter 12 |

Part Two: Understanding Revenue Streams and Expenses

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| Sept. 30 | Media Rights, Chapter 7 |
| Oct. 7 | Ticket Demand and Pricing, Chapters 9, 10 |
| Oct. 14 | Team Investments and Operations, Chapter 11 |

Part Three: Facility Design, Creation, and Management

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| Oct. 21 | Facility Design, Chapter 4 |
| Oct. 28 | Stadium Financing, Chapter 5 |
| Nov. 4 | Sports Teams and Real Estate, Chapter 6 |

Part Four: Economics

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| Nov. 11 | Sport Economics (US, International) |
| Nov. 18 | Impact (global, local); Mega Events |
| Nov. 25 | Not-for-Profit |
| Dec. 2 | Final Project Due |

Student Expectations

- Students must adhere to the guidelines of the George Mason University Honor Code [See <http://oai.gmu.edu/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.

