



The role of sports economics in the sport management curriculum

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Abstract

Sports economics has emerged as a clearly defined field in the past five years, and sports economists have recently begun taking positions in sport management pro-grams. Here, I explore the sports economics-sport management nexus. A survey of sport management programs and their curricula reveals that sports economics is not widely required by sport management programs, despite the inclusion of economics in sport" in widely accepted sport management curricular guidelines. Sport management programs have recently experienced trouble filling vacant positions, and new Ph.D.'s in sport management does not have adequate research preparation. Taken together, these factors suggest that the trend of sports economists working in sport management programs may increase in the future.

Keywords: sports, economics, finance, management and curriculum etc.

Introduction

Sports economics is a new and rapidly developing field in economics. Since the founding of the Journal of Sports Economics in 2000, sports economics has developed from an unconnected set of research questions pursued by economists working in labor economics, urban economics, industrial organization, and other areas to a clearly identifiable field of study in the discipline of economics. The next five years saw the publication of three sports economics textbooks and a corresponding growth in sports economic courses offered by economics departments and other academic units. Beginning in early 2006 the International Journal of Sport Finance will begin publication, representing a second field journal in the area. The last two job markets have featured advertisements for sports economists in Job Openings for Economists and the number of such advertisements appear to be increasing. Some observers have noted a similarity between the current state of sports economics and the state of health economics in 1982, when the Journal of Health Economics began publication. Over the last five years, another clear trend has emerged. Sports economists have begun to migrate from positions in economics departments to sport management programs in increasing numbers. Sport management programs appear to be a natural academic home for sports economists.

Sport management programs

Using the most recent listing of programs listed on the North American Society for Sport Management (NASSM) web site, a recent survey of programs by the National Recreation and Parks Association that also identified some sport management programs located in parks and recreation departments, and standard internet search engines, I identified 151 undergraduate programs, 98 master degree programs, and 16 doctoral programs in sport management at Indian colleges and universities. The majority of these programs were called "sport management" programs but a few were called "sport administration," "sport studies," "sport and leisure," or similar

variations. Stier (2001) [7] identified 137 undergraduate programs and 99 masters programs in 2000, so while the rapid growth in undergraduate sport management programs has continued over the past five years the growth in masters programs appears to have leveled.

I found it somewhat surprising that such a large fraction of sport management degrees almost 20% are offered in departments of business or management because I do not personally know of very many sport management programs located in business schools. A similar picture emerges in the distribution of departments granting master's degrees in sport management, shown on Table 4. Like undergraduate degrees, a minority of master's degrees are awarded by departments of sport management or sport administration. Over 50% of master's degrees in sport management are awarded by departments that, based on their name, specialize in lab sciences like Kinesiology, Health and Human Performance, and Exercise Science.

Table 1: Departments Offering Undergraduate Sport Management Degrees

Department Name	Number	Percent of Total
Health/PhysEd/Human Performance	23	16.08
No Departmental Affiliation	22	15.38
Business/Management	19	13.29
Sport/Exercise Science	19	13.29
Sport Management/Administration	13	9.09
Kinesiology	10	6.99
Parks, Recreation	10	6.99
Leisure/Sport Studies	8	5.59
PhysEd	8	5.59
Health/Sport	5	3.5
Education	4	2.8
Hospitality/Tourism	2	1.4

Note that, unlike the case in undergraduate degrees, very few master's degrees in sport management are awarded by departments of business or management. This probably recent the dominance of the masters in business administration

degree in business school departments. Another way to understand the production of sport management degrees is to look at the colleges and schools that are home to the departments that award sport management degrees. Table 1 summarizes this information for the undergraduate degree granting departments in the sample. On Table 1, *NA* refers to departments that are not affiliated with a larger college or school. These departments are generally at smaller institutions, like liberal arts colleges, that consist of a single college and make up a large fraction of the undergraduate degree granting departments. The *Miscellaneous* category includes schools like my College of Applied Life Studies, colleges of integrated science and technology, schools of hotel management, and schools of humanities, among other unclassifiable units. Interestingly, almost 28% of the undergraduate degree granting departments is housed in schools of education. This probably reflects sport management's roots in physical education. Clearly, many of the kinesiology and exercise science programs on Table 2 must reside in education schools.

Table 2: Departments Offering Sport Management Masters

Department Name	Number	Percent of Total
Health/PhyEdn/Human Performance	18	20.00
Kinesiology	17	18.89
No Departmental Affiliation	17	18.89
Sport Management/Administration	8	8.89
Sport/Exercise Science	8	8.89
Parks, Recreation	6	6.67
PhyEdn	3	3.33
Business/Management	3	3.33
Education	3	3.33
Leisure/Sport Studies	3	3.33
Health/Sport	2	2.22
Hospitality/Tourism	2	2.22

Case (2003) [1] discusses the relationship between the department and division that are home to sport management programs and the long term success of sport management programs. Case (2003) [1] makes several important points about the relationship between the location of sport management programs and the curriculum in these programs. First, because sport management programs are often part of an unrelated department or division like kinesiology or health, the core sport management faculty in these programs may have limited control over the curriculum and students may be required to take a number of courses not directly related to sport management as part of the curriculum. Second, many sport management programs grew out of physical education and still operate as part of physical education departments.

Table 3: Colleges/Schools Offering Undergraduate Sport Management Degrees

College Name	Number	Percent of Total
Education	39	27.66
NA	31	21.99
Business	20	14.18
Health Related	20	14.18
Arts and Sciences	9	6.38
Miscellaneous	8	5.67
Human Performance	7	4.96
Professional/Graduate	7	4.96

This relationship can have an important effect on the curriculum and the perception of the sport management program in other departments, because it is not uncommon to find sport management courses taught by former physical education faculty who were 'self-taught' in sport management" in these programs (page 225). Third, he notes that a small but growing number of sport management programs are stand-alone academic departments. This also has an important effect on the curricula because these departments tend to be small and not provided with sufficient resources to adequately serve their students.

This survey found that annual demand for faculty positions in sport management programs exceeds the supply of new PhDs produced in the field by over 400%. While some of these positions are called by existing sport management faculty, there must still be significant excess demand for faculty in sport management programs. Furthermore, Mahoney *et al* (2004) [5] conclude that most of the new PhDs in sport management lack sufficient research training for the open faculty positions.

The sport management curriculum

Perhaps because of the interdisciplinary nature of sport management programs, and the wide variety of departments and colleges that are home to these programs, a great deal of attention has been paid to the development of a benchmark curriculum for sport management programs at both the undergraduate and master's levels. Just 20 years after the establishment of the first sport management program, the National Association of Sport and Physical Education (NASPE) created a task force to develop curricular guidelines for sport management programs. These guidelines were used by many nascent sport management programs in the 1980s to guide their development and staffing. By the early 1990s the NASPE task force had been joined by the North American Society for Sport Management (NASSM), and the curricular guidelines became part of a formal accreditation process for sport management programs overseen by the Sport Management Program Review Council (SMPRC). Stier and Schneider (2000) [6, 8] recently reviewed the state of sport management undergraduate curricular guidelines. According to Stier and Schneider (2000) [6, 8], the SMPRC undergraduate curricular guidelines currently identify eleven content areas:

1. Socio-Cultural Dimensions in Sport
2. Management and Leadership in Sport
3. Ethics in Sport Management
4. Marketing in Sport
5. Communications in Sport
6. Budget and Finance in Sport
7. Legal Aspects of Sport
8. Economics in Sport
9. Venue and Event Management in Sport
10. Governance in Sport
11. Field Experience in Sport Management

Note that economics appears as a separate content area. Unlike communication and some other content areas, a number of these eleven content areas contain a significant amount of economics. For example, antitrust law and industrial organization constitute a significant 13 portion of

the legal aspects of sport, economic models of the behavior of for-profit and nonprofit organizations and organization theory play an important role in governance in sport; finance in sport has a significant amount of overlap with economics. Stier and Schneider (2000) [6, 8] assessed the utility of these guidelines by surveying 91 sport management program directors and 202 professionals in the sports industry about their opinion of the suitability of each of these content areas.

Table 4: Sports Economics and Finance in Sport Management Curricula

Course Required	% Undergrad Programs	% Masters Programs
Sports Economics	16	4
Sports Finance	33	32
Principles of Economics	48	9
Hybrid Sports Finance-Econ	6	4

Clearly, sports economics is not currently an important part of the sport management curriculum, despite the SMPRC curricular guidelines. From Table 4, very few undergraduate sport management programs require a sports economics course, and almost no masters programs require the course. Even generously counting the hybrid sports economics-sports finance courses as sports economics implies that only one undergraduate program in five, and one masters program in ten, requires their students to take a sports economics class. Mike Leeds, Peter von Allmen and Rod Fort - call your publishers! I also checked requirements to see how many programs required some sort of economics elective course like principles. 48% of the undergraduate sport management programs required students to take an economics course. However, I question how much "economics in sports" is covered in these principles level courses.

The relationship between sports finance and sports economics

The presence of a significant number of "hybrid" sports economics/sports finance courses on Table 4 suggests that sports economics and sports finance might be substitutes in the curriculum in many sport management programs. To further assess this idea, I examined several leading undergraduate sports economics and sports finance textbooks. The two leading sports finance texts are Howard and Crompton (2004) [4] and Fried, Shapiro and DeSchriver (2003) [3]. The two leading sports economics texts are Fort (2004) and Leeds and von Allmen (2005).

It is impossible to summarize the contents of a textbook. In lieu of a summary, Table 5 shows the chapter titles from the two leading sports finance textbooks. Based on the chapter titles, and my reading of these textbooks, it appears that these two texts have very little in common. A student at university *x* who completed a sport finance course based on the Howard and Crompton text would be exposed to a different set of concepts and material than a student at university *y* who completed a sport finance course based on the Fried *et al* text. Howard and Crompton cover the stadium issue and revenue sources for both public and private sports enterprises thoroughly; Fried *et al* say little about stadiums and nothing about the finances of nonprofits, but appear to cover a lot of business school finance. Second, neither text would form the

basis of a course that could be considered a substitute for a sports economics course. Neither book covers such staples of sports economics as labor markets and discrimination, IO, competitive balance, labor relations, or the relationship between on field success and financial success in sports organizations.

Table 5: Sports Finance Textbook Chapter Titles

Howard and Crompton	Fried <i>et al.</i>
Sport in the New Millennium	Financial Issues in Sport
The Challenges Facing College and Professional Sport	Basic Financial Concepts
Trends in Stadium Facility Investment	Financial Systems and How They Operate
The Principles of Economic Impact Analysis	Business Structure
Alternative Justifications for Public Subsidy	Financial Statements, Forecasts, and Planning
Sources of Public Sector Funding	Time Value of Money
Sports Enterprise's Sources of Revenues	Approaches to Financial Planning
Implementation of Public-Private Partnerships	Obtaining Funding
Ticket Sales and Operations	Capital Stocks
Sale of Broadcast Rights	Bonds
Sales of Foodservice and Souvenir Concessions	Capital Budgeting
Nature of Sponsorship Exchange	Short-Term Financial Management
Corporate Concerns in Sponsorship Partnerships	Inventory and Production Management
Soliciting Sponsorships from Business Organizations	Taxation and Legal Issues
Measuring the Impact of Sponsorship Fundraising	Spending Earnings Auditing
	Exit Strategy

Discussion

Several important points about the role of sports economics in sport management emerge from the previous sections. First, enrollment in undergraduate and masters level sport management programs have grown significantly in the past ten years. This increase in enrollment appears to have led to an increase in demand for faculty in sport management programs that has not been met by PhD production by graduate sport management programs. Furthermore, new PhDs in sport management do not have adequate research preparation for academic jobs with a significant research expectation. Second, clear standards for both undergraduate and masters level sport management curriculum have emerged.

These guidelines represent an attempt to define sport management as an academic discipline and provide employers with a signal about the academic preparation of students with sport management degrees. These guidelines explicitly include economics in sport at the undergraduate level and implicitly include a significant amount of economics in other content areas like sport law and financial management in the graduate guidelines. The SMRC curricular guidelines may create several problems for sport management programs. First, there is a disconnect between the number of subject areas defined by the guidelines and the recommended staffing for sport management programs.

The future of sports economics in sport management

The conditions for a significant expansion of sports economics, and sports economists, in sport management appear to be quite favorable. Enrollments in sport management undergraduate and master's programs rose rapidly in the past decade and the trend appears to be continuing. Sport management programs have had trouble attracting qualified faculty. Recent surveys suggest that experts in the field predict that sport management research will move in a direction that favors economic-based research into sports. Sports economics is a growing field. The founding of the *Journal of Sports Economics* and the continued growth of sports economics sessions at conferences has induced many economists to develop sports-related research agendas. The research skills required to do sports economics research applied microeconomics and econometrics are relatively common in the discipline, so additional growth in the number of active researchers in sports economics is possible. Thus there will probably not be a shortage of sports economists in the future.

Conclusion

Finally, economics in sport might be revised out of the SMPRC sport management curricular guidelines. Economics in sport is already not listed as a core content area in the SMPRC graduate curricular guidelines. Stier and Schneider (2000)^[6, 8] found that sport management professionals were less enthusiastic about the inclusion of economics in sport in the undergraduate curriculum. If sport management programs take this result seriously and respond to industry preferences, sport in economics could be eliminated from the undergraduate guidelines as well. This would limit further growth of sports economics into sport management.

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