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EconFantasy.com

Where Fantasy Becomes Reality in an Economics-of-Sports Simulation

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EconFantasy.com is currently a 12-team Fantasy Football League Simulation using real National Football League (NFL) players in real time. Participants in the simulation negotiate a league constitution, make front-office financial decisions, and manage on-the-field competition. The simulation must run during the course of a traditional fall semester (10 to 14 weeks in length) in conjunction with the real NFL season. (The site is customizable for any sports league, including Major League Baseball, National Basketball Association, and National Hockey League, to accommodate courses being held at different times.)

Fantasy Football allows participants to create football franchises by selecting players from actual NFL teams. Each week, franchise owners select starting line-ups and compete head-to-head against another fantasy franchise. Points are scored based on the performance of the NFL players (i.e., 6 points for a touchdown, 1 point for every 10 yards rushing, etc.). The franchise with the most points wins the contest. After a 10-game season, the top teams enter a playoff to crown the fantasy league champion.

EconFantasy.com brings the reality of sports economics to the fantasy league. The simulation begins by assigning students to franchises operating in markets with different revenue-producing potential. The students create a league constitution that specifies whether the league will negotiate its television contract as a group or whether each individual franchise will negotiate its own contract. The league constitution will also specify all revenue-sharing arrangements (or lack thereof). The students immediately become responsible for the financial success of their individual franchise and their league as a whole. The league constitution may also determine each franchise's potential for on-the-field success and for the competitive balance of the league.

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Students then sign contracts for their fantasy franchise players. They hire players from a pool of real NFL players by bidding on them in an open auction. Once players are selected, the season begins! To generate revenue, students negotiate their television contracts, set ticket and concession prices for every home game, and negotiate stadium sponsorships for their fantasy franchise during the course of the season.

LEARNING OBJECTIVES

By the conclusion of the EconFantasy.com simulation, students will

- gain a first hand knowledge of the economic incentives of both competition and cooperation within a sports league;
- understand the implications of negotiating a media contract as individual franchises or as a collective league;
- consider the effects of media, ticket, concession, and merchandise revenue-sharing arrangements on league competitiveness, fan interest, franchise financial and on-the-field success, and franchise payrolls;
- consider whether it is possible for owners to collude to keep payrolls low;
- understand if there is a trade-off between being competitive and being profitable;
- optimally set prices to maximize ticket revenue and concession profits based on factors of consumer demand; and
- determine whether a short-term or long-term sponsorship contract is more appropriate, given their attitude toward risk.

COST

Currently, EconFantasy.com may be used free of charge. However, as the site grows and better technology is required to manage the growth, a nominal fee may be charged to help cover the costs of running the site.

NEEDED MATERIALS

The beauty of EconFantasy.com is that it can be managed outside of the classroom. It is available via the Internet from any Web browser. Econfantasy.com manages the economic and financial aspects of the league. Because many fantasy football league management systems are available online (see cbssportline.com for example), we did not want to reinvent the wheel. To calculate the on-the-field action, you will need to subscribe to one of these other sites (or do the calculations manually). For more information, please go to <http://econfantasy.com/>.

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