Guest editorial: On the contemporaneous growth of the modern economy and the industry of sport

Sports have been around for a long time in human culture, and there is strong evidence that sports even played a central role in the lives of hunter-gatherers [see, e.g. (Brill *et al.*, 2024; Kniffin and Scalise Sugiyama, 2018)]. While hunter-gatherers existed for hundreds of thousands of years, there is no consensus as to when sports began, primarily because hunter-gatherers lived in pre-historic times when record-keeping was lax. Since hunting was their primary career choice, it makes sense why a sports culture would develop, supporting skills related to running and throwing. At the outset of the industrial revolution in the early to mid-1800s, however, American factory workers spent nearly 70 hours per week at their jobs. This did not leave much time to watch or play sports! As the industrial revolution progressed, sustained global economic growth occurred for the first time in world history. Along with this economic growth, the amount of leisure time increased as well.

As economic growth continued into the 1900s, the economy began pumping out oil, automobiles, phonographs, electric cigar lighters, canned goods, soda pop and thousands of other goods. Meanwhile, the eight-hour workday took root, and there was finally time for workaday men in top hats to enjoy more sports like America's pastime of baseball or England's football. Since fans had more time and disposable income, game attendance increased and this made players more valuable to capitalist owners. Babe Ruth earned more money than the President! With the onset of the Great Depression, Babe Ruth remained a celebrated star while many Americans were fuming mad at their President; measured by salary *and* popularity, Babe Ruth and his Ruthian blasts were indeed more valuable to American society than the beleaguered President Herbert Hoover and his Hoovervilles. Ruth played in a time when owners had monopsonistic control over players, and he was even more valuable than his $80,000 salary suggested.

MLB owners not only had the power to suppress Ruth's salary, but they also had the power to exclude uber-talented Black men from playing in the major leagues. To make matters worse, women were still largely barred from sporting activities. Sports economics had its unofficial birth with Simon Rottenberg's publication of "The baseball players' labor market" in 1956. Fortunately for Black people, they were grudgingly allowed to play by MLB owners around this time, although the Boston Red Sox did not employ their first Black player, Pumpsie Green, until 1959. Perhaps not surprisingly, Rottenberg (1956) entirely ignored the topic of race and the integration of Black players in his examination of the MLB labor market.

Throughout the 1950s and 60s, industrialization kept churning, pumping out increasing amounts of oil, automobiles, stereo systems, butane lighters, canned goods, soda pop, televisions, fast food, toasters, refrigerators, pocket protectors, leather jackets, sunglasses, dress shoes, hair dye and hundreds of thousands of other products. Worker wages were likewise increasing, and some of these dollars were spent to watch major league sports. By the advent of free agency in the late 1970s, some players were signing contracts worth more than a million dollars per year.

Moving into the 2000s, as the pocketbooks of MLB billionaire owners kept expanding from increasingly diverse revenue streams (think paid streaming services for live games, merchandise, luxury suites, concessions, subsidized stadiums from taxpayers), some of these proceeds found their way to MLB player salaries. Of course, by baseball player salaries,

Managerial Finance
Vol. 51 No. 7, 2025
pp. 1045-1048

e-ISSN: 1758-7743
p-ISSN: 0307-4358
DOI 10.1108/MF-07-2025-928

we mean male player salaries, as there is no female equivalent to major league baseball. But considering basketball, the highest-paid WNBA player, Jackie Young, makes $252,450 (Lago, 2025), while the highest-paid NBA player, Stephen Curry, makes $55,761,217 (ESPN, n.d.-a). If Curry had a pay cut of $55 million, he would still make more than three times what Jackie Young makes; Curry makes more per game than WNBA star Jackie Young makes in two years.

And obviously, our post-industrialization economy keeps chugging away, pumping out ever more oil, smart automobiles, smart home theatres, butane lighters, canned goods, soda pop, smart televisions, fast food, smart toasters, smart refrigerators, all sorts of jackets, smart sunglasses, dress shoes, hair dye, smartphones, laptop computers, tablets, streaming subscriptions, Fitbits, hoverboards, VR headsets, mycelium earplugs, air fryers, robot vacuums, 3D printers, smart watches, AI robot girlfriends, wireless headphones and millions of other products. And with the increase in economic growth, more resources are devoted to the sports industry than at any other time in human history. This growth can also be viewed through the lens of owner salaries—back in Babe Ruth's day, the owner of the Yankees, Jacob Ruppert, had a net worth of roughly $6.5 million in the 1930s (Levitt, 2011). Today, Mets owner Steve Cohen is the wealthiest MLB owner with a net worth of $21.3 billion (Forbes, 2025), which is 14,775% more than the former Yankees owner, in real terms.

When hunter-gatherer societies held spear-throwing competitions so their youth could one day kill real live mastodons, there were no accompanying salaries for their athletes. Nor did they have egghead economists estimating the marginal value of prehistoric athletes. Now, with the advent of economic growth and the rise of big sports, modern-day egghead economists and other number crunchers are an integral part of the sporting ecosystem.

As expected, the rise of the sports industry has influenced academic research. In fact, the aforementioned economic growth and the rise of sports have made this special issue on sports economics possible. Scott and Cano (2025) explore the influence of sports on principles of microeconomics textbooks by quantifying the type and amount of coverage devoted to sports economics topics. In total, he surveys 21 textbooks and finds that, on average, authors devote 934 words and 6.2 sections of text to sports. Observed sports-related topics include the sex-based pay gap, antitrust issues, the morality of paying college athletes and league/union bargaining. In all, these textbooks cover 11 different sports. This special issue includes articles directly related to six sports: soccer (three papers), American football, baseball, golf, curling and basketball. Two papers explore topics related to the NCAA in general.

The increased emphasis on data analytics in the sports industry has simultaneously increased the appeal of sports research for academics. The rise of the sports industry can also be witnessed in soccer, as team valuations and player salaries also continue to increase. For example, while the Premier League's Manchester City club was valued at £357.3 million in 2010, it now has a value of £1.31 billion (Premier League – club market value, n.d.). This corresponds to an annualized increase of 17.68%. Meanwhile, over the same time period, the Premier League's Aston Villa club has seen an annualized increase of 22.56%, whereas AFC Bournemouth has had an annualized increase of 709.96%! Notably, two research papers in this special issue investigate the business of European soccer, while a third focuses on Brazilian soccer.

Hamdi *et al*. (2025) investigate top-flight European soccer clubs and find that attendance and performance are positively associated with club market value. This is certainly borne out in the case of AFC Bournemouth, as they have gone from being a run-of-the-mill League One team in 2010 to a competitive Premier League team today. Over this same time period, Bournemouth went from having an average of 7,183 fans per game in 2010–11 to packing out the same stadium in 2024–2025 with an average of 11,210 [see (ESPN, n.d.-b; ESPN, n.d.-c)]. Exhibiting a per-game increase of 56.06%, there is not much room for growth given that Bournemouth's stadium only holds 11,286 fans. In another paper investigating European soccer, Garcia-del-Barrio and Rossi (2025) find that club owners seek to increase media exposure and popularity. Exploring Brazilian soccer clubs Dantas *et al*. (2025) find that higher liabilities reduce the ability for clubs to afford high-quality players, which in turn can lower club value.

Until recently, the NCAA had successfully argued that college athletes were amateurs who should not be paid at all. Although the NCAA relaxed its stance on Name, Image and Likeness (NIL) in 2021, member schools still do not pay players directly; instead, third parties in the form of 'collectives' are the entities paying players. While Potter and White (2025) hypothesize that donations to athletic departments would decrease in the wake of NIL legalization, they find the opposite to be true. With the introduction of NIL deals, donations to athletic departments have increased, suggesting that booster donations are a complement to paying players through NIL collectives. Relatedly, Brook (2025) investigates the impact of conference membership changes on athletic department revenues. He finds that such membership changes generally serve to increase athletic department revenues. Although players are still not paid by their universities, the business of college athletics has important financial consequences for NCAA athletic departments.

The remaining papers explore a variety of other sports: Ehrlich and Sanders (2025) use basketball shot chart data to determine if shot selection is priced efficiently in the NBA labor market; Duquette and Cebula (2025) find that NFL teams have discount rates in excess of 100% (Paul *et al.*, 2025); use K-means clustering to analyze the impact of promotions on attendance for minor league baseball; Ehrlich and Kamimoto (2025) analyze the relative importance of shot type consistency for PGA golfers; and Fry *et al.* (2025) employ econometric and strategic analyses for the sport of curling.

This special issue has been a joy to put together, and it shows the depth and breadth of the field of sports economics and finance. Along with the modern economy, we believe the field of sports economics and finance will continue to grow, at least until fossil fuel supplies are seriously depleted. We would like to thank all of the authors for contributing their work, because without them, this special issue would not exist. We would like to thank our wives (Mindy White, Lara Potter and Bhavneet Walia) for putting up with us as we talk incessantly about sports economics. Finally, we wish to thank the Managerial Finance Editor, Dr Don Johnson, for his patient tutelage in guiding this special issue towards the finish line.

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