

# There's No Crying in Baseball – An Economic Analysis of MLB Popularity

*Madeline Glosemeyer, Dr. Allen Wilhite, Department of Economics*

## Overview/Introduction

- Is baseball dying?
- Is America's favorite past time is being overtaken by other sports?

## Explanation/ Conceptual Framework

We collected data from 1995 – 2015 for all major league baseball teams on team performance, location, league membership, stadium age, ticket prices, attendance, etc. to explore three related questions.

### 1. What influences attendance?

While the overall trend of attendance is down, teams have been able to reverse that effect by building new stadiums and fielding better teams. National League teams have higher attendance than the American league teams.

### 2. What affects overall team revenue?

The trend of baseball revenue is up as teams raise ticket prices and these new stadiums shore up attendance.

### 3. What affects franchise value?

Teams able to raise their revenue have seen a steady increase in their franchise values. New stadiums have a mixed effect, they help to increase attendance and revenue, but they are costly and in lieu of additional attendance, they can be a drain on the value of a franchise.

## Acknowledgements

Acknowledgements go to Dean Wilkerson and David Cook of the Honors Capstone Program, UAH Office of the Provost, UAH Office of the Vice President for Research and Economic Development. In addition, Dr. Rodney Fort of the University of Michigan and Dr. W. David Allen of the Economics Department at UAH for guiding me to the right sources of data. Finally, Kobe Bankston for his expertise in Excel and formatting.

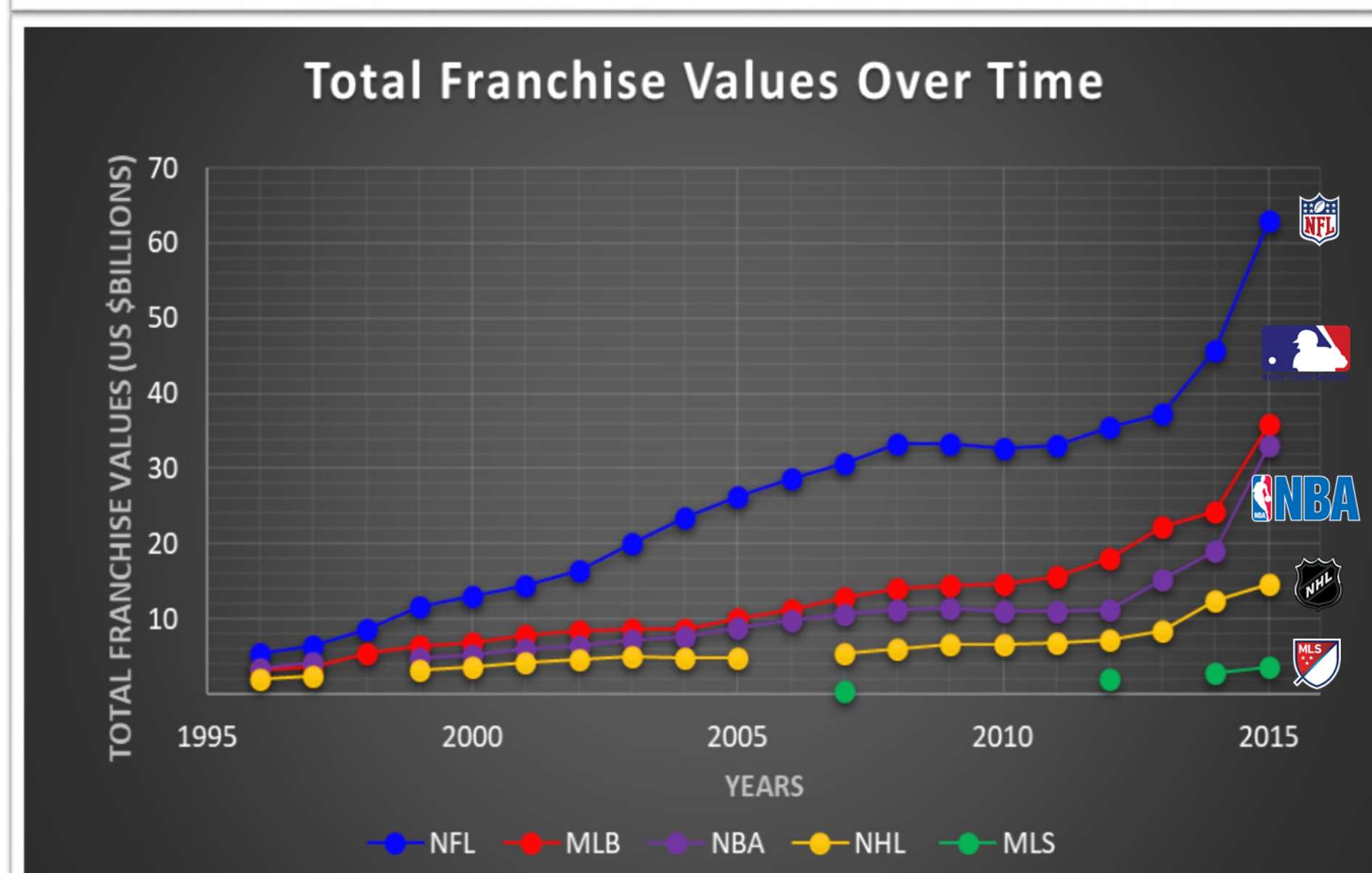
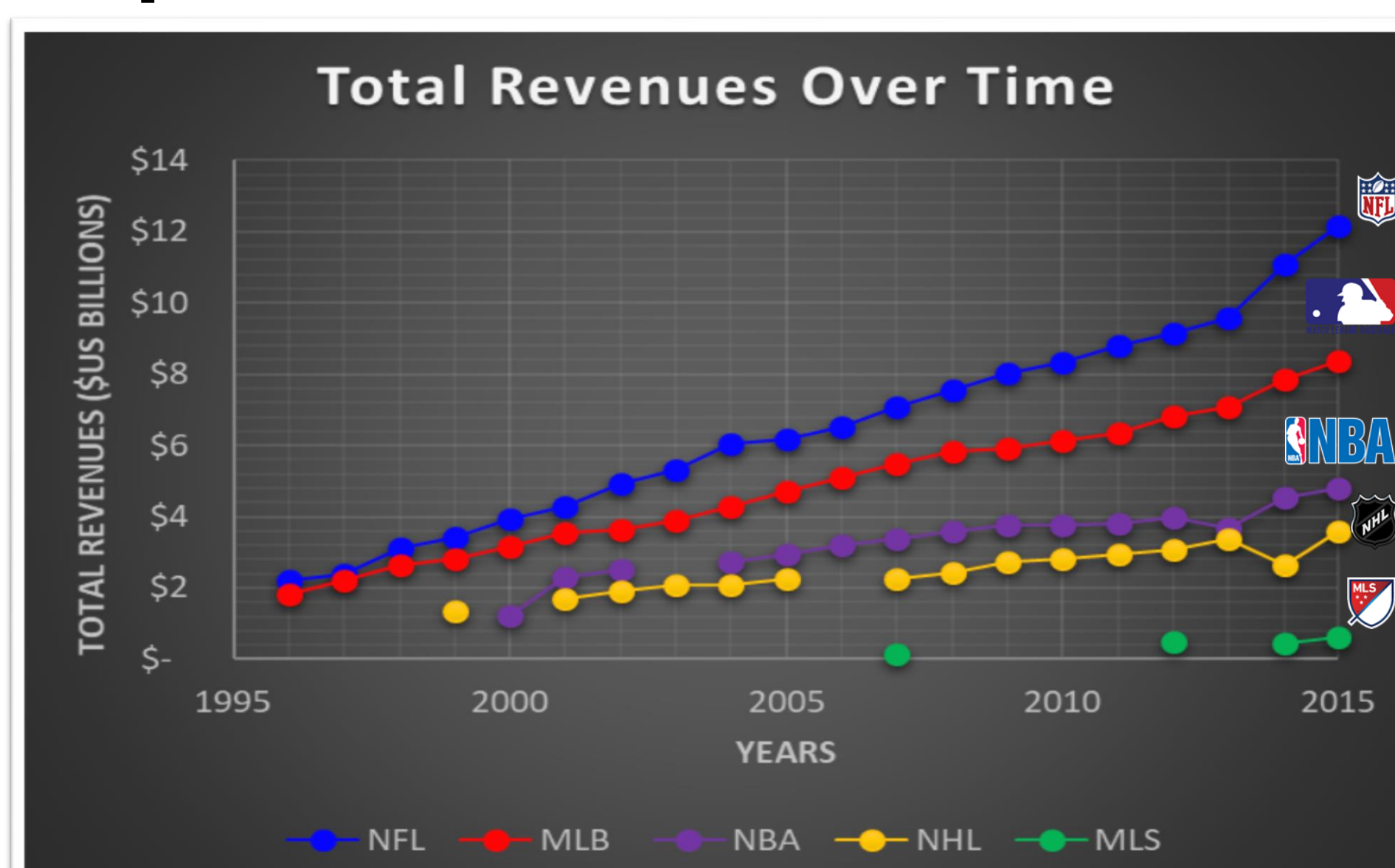
## Key Findings/Results

GLS estimates from pooled time series and cross-sectional data

	Attendance	Revenue	Franchise value
National League	33.794**	-4.541	25.785
Trend	-31.994**	5.285**	0.373
Renovated stadium	-5.742	-4.176	-32.280
New stadium	23.185**	4.671*	-78.106**
Ticket Prices	3.950**	2.684**	
Winning %	330.50**	18.390	
Attendance		0.0001**	
Payroll			-0.0001
Revenue			4.686**
	$\chi^2=384.4$	$\chi^2=5604.7$	$\chi^2=2360.3$

\*\* indicates statistical significance at the 0.01 level; \* at the 0.05 level

## Impact/Conclusions



**There's no reason to cry for baseball.**

**Yes, the NFL is the most valuable league in sports, but baseball is second in revenue and continues to see healthy increases in their franchise values and revenues as teams find ways to keep their fans in the game.**