

Activity 12 Why the Kid Who Skipped College Earns Big Bucks Playing Games

Directions. Read the *Handy Dandy Guide* and the mystery. Read the clues assigned to your group. Be careful. While all the clues are correct, only some are *useful* in solving the mystery. Decide which clues are most relevant to solving the mystery. Use the clues and one or more of the ideas from the *Handy Dandy Guide* to figure out a solution to the mystery. Write your solution.

Handy Dandy Guide

1. People *choose*.
2. People's choices involve *costs*.
3. People respond to *incentives* in predictable ways.
4. People create *economic systems* that influence individual choices and incentives.
5. People gain when they *trade* voluntarily.
6. People's choices have consequences that lie in the *future*.

The Mystery

Many professional athletes never finish college. Some go directly into professional sports from high school. Yet professional athletes are frequently paid millions of dollars per year. Annual salaries for professional football players range from a few hundred thousand to several million dollars. The story is much the same among professional athletes in basketball and baseball.

Yet other people who perform worthy service—nurses, police officers, firefighters, and teachers—receive incomes far short of the amounts paid to professional athletes.

What is wrong with our values? Why are grown men and women paid millions of dollars to play kid games?

The Clues

1. In addition to their salaries, athletes often earn money through endorsements, speaking engagements, signing autographs, and so forth.
2. Few people possess the skills needed to throw big league fast balls, deliver one-handed jams, and toss game-winning touchdown passes.
3. Most professional athletes have gone to college.
4. Coaches encourage competition among their players as a way to bring out their best performance.
5. Fans pay to see professional athletes perform in person; they also tune in by the millions to watch athletes on television.
6. A recent strike by professional baseball players was a turn-off for many fans.
7. Like police officers and firefighters, professional athletes risk serious injury.
8. The non-labor costs of running a team—uniforms, equipment, air fares—have been increasing recently.

Record your solution and explain it briefly here:
