

Name _____

The Economics of NFL Football: A Game of Money and Business

Open-Ended Response Answer Key

1. Television contracts are a vital source of revenue for the NFL, providing billions from networks for broadcasting rights. This stable income supports the league's financial health and allows for long-term planning and investments, maintaining the league's profitability and operational viability.
2. The NFL salary cap limits how much teams can spend on player salaries, ensuring competitive balance by preventing wealthier teams from stockpiling all the top talent. This helps keep the league competitive and maintains fan interest across different regions.
3. Revenue sharing in the NFL distributes portions of the league's income, like TV revenues, evenly among all teams. This practice helps smaller-market teams remain competitive and financially stable, promoting fairness across the league.
4. Revenue from stadium sources such as ticket sales, luxury suites, and naming rights is crucial for NFL teams. These revenues fund improvements and contribute to the financial health of the teams, enabling further investment in state-of-the-art facilities.
5. Hosting an NFL game, especially the Super Bowl, significantly benefits the host city economically through increased tourism and local business revenue. The event also creates jobs and enhances the city's visibility, fostering additional economic and social benefits.

