

# **The Paradox of Inelastic Sports Pricing**

Philip K. Porter

## **Abstract**

Rodney Fort's (2004) article in *Managerial and Decision Economics* attempts to explain the recurrent phenomenon of inelastic ticket pricing in professional sports. In his explanation Fort mistakenly substitutes the marginal revenue generated by the acquisition of talent for the marginal revenue generated by lowering the gate ticket price. This article corrects the mistake, pointing out that inelastic ticket pricing is still inconsistent with profit maximization. In addition, it is demonstrated that the marginal revenue generated by additional talent cannot be negative.