



SUMMER ECONOMICS: HOT CONCERTS AND HIGH TICKET PRICES!



What kids can learn from this:

Whether they're big fans of Beyoncé, Taylor Swift, Harry Styles, or another top act, you can use ticket prices to teach middle and high schoolers important economic concepts like pricing, supply and demand, and scarcity.

Why do concert tickets cost so much?

- Average ticket prices have more than tripled since the mid-'90s!
- The fees that are tacked onto each ticket can be as high as 78% of the ticket price. Those fees are divided among venues, promoters, artists, and Ticketmaster.
- Ticketmaster holds back as many as 90% of the tickets for the secondary market—credit card companies, promoters, radio stations, or artists' fan clubs.
- Meanwhile, others are bought in bulk by resellers, who resell them at a huge markup.

(Source: *Time Magazine*)

And then there's dynamic pricing!

Dynamic pricing is a strategy that uses flexible prices as opposed to fixed ones, aiming at different prices to maximize profit. Many industries now use dynamic pricing, including airlines, transportation services like Uber and Lyft, hotels and Airbnb, retailers like Amazon and Walmart, sports teams, and yes, the concert industry.

Concert Pricing Practice:

- Choose a music act to see in concert.
- Identify a section and row, and check seat prices at the box office.
- Then compare those prices to ones you see for the same section and row in Ticketmaster, and on secondary markets like StubHub or Vivid Seats. Don't forget to factor in fees, too!
- Next, check ticket prices at another city in the tour. Are they higher or lower? Why do you think that is?
- Check ticket prices once each day, as you get closer to the concert. What do you see?
- **Pro tip:** Data shows concert-goers spent 33% less than average on tickets when purchasing them on the day of a concert, and 27% less than average the day before.

So waiting and being flexible on where you sit can save you money!

