

This weekend's Marshall/WVU football game gives West Virginians quite a bit to be proud of—competition, school spirit, and economic stimulus are but a few results that will emerge from Saturday's showdown.

There is one characteristic of the game, however, that most of the general public bemoans: ticket scalping. Many feel that ticket scalping involves one party taking advantage of another against their will, and the name itself even elicits images of the ghastly wartime tactic. The practice of re-selling tickets couldn't be viewed in a more unfavorable—and inaccurate—light.

While ticket scalping is often assumed to be any resale of tickets, the legal definition is actually quite more limited. Laws differ by region, but illegal ticket scalping typically constitutes the resale of a ticket 1) within a given amount of time (usually a few hours) before the event's posted start; 2) within a physical distance (usually a few blocks) of the venue for which the ticket is valid; and 3) for an amount above that printed on the ticket itself. Violating any of these conditions does not constitute ticket scalping in the eyes of the law.

I would presume that the intent of the law is to prevent a situation of entrapment; that is, someone showing up an event without tickets and being somehow tricked into paying an amount for tickets that they will later regret. Note that this is no different than any other type of buyer's remorse, and is by no means justification for government involvement.

Yet the policymakers salivate. It is a dangerous day when a government attempts to protect its citizens from themselves. Government policies have long existed that attempt to improve upon consumers own informed choices only to damage them in the end. Regulations that prevent mothers to carry their young children on their lap on airplanes have been shown to cause an overall harm to children since mothers would substitute plane flights (and having to buy two seats) for more dangerous car rides. The Food and Drug Administration routinely delays potential life-saving medication from hitting the market and helping those especially sick individuals who would be willing to take risks on new treatments.

The liberty to make choices—and to bear their repercussions, both positive and negative—is vital to the ability of a market economy to thrive.

Issues of personal freedom aside, the re-sale of tickets is a perfectly viable economic activity that should not be outlawed—if anything, it should be encouraged. Ticket brokers play the exact same role as stock brokers; just as individuals may want to transfer ownership of stocks, so too do people wish to transfer ownership of tickets to live events. Secondary markets—like the re-sale of tickets and the stock market—are exceedingly commonplace. Yard sales are a perfect example. Used cars constitute another secondary market.

Many feel that the ticket broker is gaining at the expense of the initial seller; for example, anyone re-selling their ticket to this weekend's game is doing so at the expense of

Marshall University. Somehow, because Marshall could have (hypothetically) charged more for their product, they now have a claim to some or all profits from future transactions. No such claim exists. Would the initial contractors for a home have claim to profits from every sale of the house? Does a car manufacturer deserve a check for a used car sold above its blue book value? Of course not—and football tickets are no different.

In fact, those that put on live events likely gain from ticket brokers, not lose. The existence of a rigorous resale market gives the signal that the prices they are charging from the outset are probably too low. Furthermore, in a financial sense, ticket agents assume some of the risk of hosting an event—not unlike an insurance company assumes some of the risk of you driving a car.

Ticket scalping laws are yet another example of governments trying to squash markets that serve everybody involved. It is not surprising that they have little success in doing so. And short of encouraging initial ticket sales to be run through an auction mechanism, there is little government can do that will dent the ticket re-sale market. So drop the ticket scalping nonsense—as with just about every other sector of the economy, getting the government out of the way is the most important step towards getting everyone ahead.

Ryan is the Charles G. Koch Fellow at West Virginia University, and edited "Unleashing Capitalism: Why Prosperity Stops at the West Virginia Border and How to Fix It", which can be purchased at [amazon.com](http://amazon.com), [barnesandnoble.com](http://barnesandnoble.com) and [lulu.com](http://lulu.com), as well as many bookstores in the state. Ryan may be reached by e-mail at [matt.ryan@mail.wvu.edu](mailto:matt.ryan@mail.wvu.edu).

Like stock brokers—transfer risk of sales from teams to brokers

Ticket scalping is not unique to West Virginia

One thing that people seem to bemoan, however, are the outrageous ticket prices, or the practice of ticket scalping in general. Ticket scalping is not unique to West Virginia

Entrepreneurship of scalpers

Teams, naturally, are indifferent

There is going to be surplus in any transaction

The goal of any economic system is to get goods to those people that value them the most.

Good way to stop scalping is to let teams

Ticket brokers are like stock brokers in another sense as well—they assume risk from those running the event. Live entertainment is business, and like business, there exists an uncertainty over the fiscal success of any live performance. In exchange for riskier, more uncertain potential income, event planners willingly accept a more certain, yet lower, income. When tickets initially went on sale for this weekend's game, there was a chance that, as weeks passed, people's preferences for attending the game, and therefore their valuation of it, could have changed. Marshall