

Lecture Info: Tu,Th 10:50–12:05, January 9 – April 21 | Beatty 212

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Office Hours: Tu,Th 2:00–3:30, with Appointment Manager [ending April 21]

Background: The modern era of gambling in the United States began with the legalization of the New Hampshire lottery in 1964. Now 44 states have lotteries. Pari-mutuel gambling is legal in about 35 states. At least 460 commercial casinos operate in at least 24 states, and over 500 Indian casinos operate in about 30 states. Commercial and tribal casinos in the U.S. earn revenues of about \$75bn per year. These are amazing figures, given that gambling has gone from vice to accepted form of entertainment in less than 30 years.

More amazing is Macao, which represents the largest casino market in the world. In 2018, Macao casino revenue was US\$38 bn, which dwarfed the Las Vegas Strip (\$6.6 bn). However, the casino market is not healthy everywhere. In the northeast US, there is worry within the industry that the market is “saturated.” For example, five of the twelve casinos in Atlantic City have closed since 2014. Since then, revenues have been rebounding, and were \$2.9 bn in 2018. However, this is lower than Atlantic City’s best year, 2006, when it had revenue of \$5.2 bn.

The purpose of this course is to examine the gambling industry in the United States, with special consideration of tourism. We will focus on potential benefits of legalized gambling, including employment, economic development, tax revenues, and consumer benefits; as well as the potential social costs of gambling, typically associated with disordered gambling. These effects include bankruptcy, crime, drunk driving, and other behaviors. Through lectures, readings, and a few movies and video clips, students will become familiar with most of the current political and economic aspects of the legalized gambling debate in the United States.

We will also discuss current issues, such as poker, the expansion of online gambling, and the legalization of sports betting following a 2018 U.S. Supreme Court decision.

Prerequisites: ECON 200 and 201, or permission of instructor.

Required Books: There are 2 required books for the course; e-versions are free on the library website.

Casinonomics: The socioeconomic impacts of the casino industry, by Doug Walker.
© 2013. Springer. ISBN 978-1461471226. [\$25 paperback available]

Gambling in America: Costs and benefits, by Earl Grinols.
© 2004, Cambridge. ISBN 978-0521124171.

Other Required Reading: A variety of other newspaper and journal articles will be required. These are available on the course webpage. You are also required to sign up for the “Casino & Gaming SmartBrief”, which provides daily news articles on U.S. gambling-related topics (www.smartbrief.com/industry/gaming).

Course Outline: The topics covered in the course will roughly follow the *Casinonomics* book. Given enough time, we will cover these topics, not necessarily in this order: Introduction | Casino game statistics | Lotteries | Casinos and economic growth | Gambling, consumer behavior, and welfare | The impact of casinos on state tax revenues | Casinos and drunk driving fatalities | Gambling, crime, binge drinking, drug use, and hiring prostitutes | The social costs of gambling | “Responsible

gambling” and win limits | Is gambling an “unproductive” activity? | Casinos and crime | Casinos and commercial real estate values: A case study of Detroit | Relationships among gambling industries.

Web Page: My web page (walkerd.people.cofc.edu) has the course outline, reading assignments, etc. The webpage material is considered a part of this syllabus; you are responsible for the material on the webpage. Note that I do not use OAKS.

Grading: Your course grade will be based on your performance on a variety of assignments, listed below. The point total depends on how many quizzes are offered during the course. There will be between 3 and 5 quizzes. Some students may also complete a project for the class, which will affect your grade calculation, as discussed below.

To receive a passing grade, you must earn at least 60% of the available points. Your course grade will be based on a 90(A)-80(B)-70(C)-60(D) scale. I typically assign plus/minus grades, at the top and bottom two percent of each grade. For example, a B- is 80-82%, and a B+ is a 88-89.9%. I expect the mean, median, and mode grades to be a C.

Assignments – Your grade will be based on your performance on assignments described below. In addition, you will have the opportunity to apply to complete a project for the course.

<u>Assignment</u>	<u>Date</u>	<u>Points / Weight^</u>
Smart Brief sign-up	January 16	5 / 1.9 %
Article reviews	[throughout course]	0 / 0 %
Participation	[throughout course]	10 / 3.8 %
Quiz (each)	[up to 5 during course]	15 / 28.3 %
Midterm Exam	March 10*	75 / 28.3 %
Final Exam	April 28	100 / 37.7 %

* tentative date

^ grade weight assuming 5 quizzes

SmartBrief Discussion (5 pts.) – You should try to read a newspaper article related to the gambling industry each day. At the beginning of each class day we will discuss articles from the previous days’ *SmartBrief* to keep updated on what’s happening in the gambling industry. I will ask for 2 or 3 volunteers each day to summarize an article they read. You earn 5 pts. by submitting a SmartBrief email to you, as evidence that you have signed up, by the start of class on Thursday, January 16.

Article & Chapter Reviews (ungraded) – I recommend that you write a one page summary of each academic article and book chapter assigned for the course. Since we have a large number of readings, this will help you to prepare for quizzes and exams more efficiently. You will be expected to have a working knowledge of the content of the various assigned readings.

Participation (10 pts.) – While much of the class will be lecture, discussion from students is vital to the success of the course. Your overall contribution to the class discussion, which requires your attendance, will be graded at the end of the term. Students will be put into one of three categories (above average [8-10 pts], average [5-7 pts], and below average [2-4 pts]) regarding their overall participation in the class.

Quizzes (15 pts. each) – We will have up to 5 quizzes during the term. The quizzes will usually be given at the beginning of class. Quiz dates may not be announced in advance. The purpose of the quizzes is to provide an incentive for you to keep up with the readings and lecture material. Quizzes may include multiple choice questions, short answer, and calculation and graphical problems.

Midterm Exam (75 pts.) – The midterm exam will be scheduled on or before Tuesday, March 10. You will be given at least one week’s notice prior to the exam date. The exam will cover all material in the course through the midterm exam date.

Final Exam (100 pts.) – The final exam is scheduled for Tuesday, April 28, 9:15-11:00 (Note that your time is limited because the exam is not a 3 hour exam.) The exam may include a variety of questions, such as multiple choice, essay, short answer, calculation and graphical problems.

Project (35 pts.) – You may have the option of completing a project for the class, which may include travel to a casino or for an academic conference. The Department may provide partial funding for travel related to a class project. Other options will include research on some aspect of gambling or gambling policy. I will provide details on project options early in the semester. Projects must be approved in advance, and I anticipate approving only a small number of projects for the class.

To get approved, you must demonstrate your project is meritorious. If your project is approved, it will be graded out of 35 points, and the project points will be added to the other points available in the class, discussed above.

Dropping the Course: The last day to withdraw from the course (W grade) is Friday, March 13.

Attendance, Make-Up Work, and Late Work: It is critical that you attend all lectures, as the exam material is largely based on what we do in class. You should not expect to pass the class if you do not regularly attend lectures. If you do miss a class, you should get notes from another student. MAKE-UP WORK IS NOT OFFERED, AND LATE WORK IS NOT ACCEPTED, FOR ANY REASON. If you miss any quiz(zes) or the midterm exam, your final exam weight will increase for the missed quiz(zes)/midterm exam.

Cheating: Cheating is a very serious offense. If you are caught cheating or attempting to cheat, the penalty is an XF grade for the course. All cases of cheating will be forwarded to the Dean of Students. For additional information, see the Honor Code and Student Code of Conduct in the *Student Handbook*. Ignorance of college rules is not an excuse for breaking them.

Students with Learning Disabilities: If you require special accommodations, please submit a copy of a current Professor Notification Letter to me from the Center for Disability Services (Lightsey Center 104) no later than Thursday, January 30.

Economics Learning Goals: This course addresses “Understanding Major Economic Problems” and “Synthesis” learning goals. The legalization of gambling is a major policy issue at the state level. The course includes material from a variety of perspectives, including economics, public policy, and psychology, in order for students to have a comprehensive understanding of this fairly narrow issue.

BY REMAINING ENROLLED IN THE CLASS, YOU AGREE TO THE POLICIES OUTLINED IN THE SYLLABUS. THE PROFESSOR RESERVES THE RIGHT TO CHANGE THE SYLLABUS AS NEEDED.