

**Professor:** Doug Walker | 427 Beatty | 953-8192 | WalkerD@cofc.edu | walkerd.people.cofc.edu

**Office Hours:** Monday – Thursday, after class by appointment

**Lecture Info:** We will have daily lectures, Monday through Friday, from May 13 to 24, from 8:30am to noon. There is no class on Monday, May 27. I will be at a conference on gambling from May 27-30, and students have the option to attend the conference to satisfy one of the requirements for the class. If you do not attend the conference, you will work on a different project May 27-30.

**Course Description:** 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 25 states, and over 500 Indian casinos operate in about 30 states. Commercial casinos in the U.S. earn revenues of about \$40 bn per year, while tribal casinos earn around \$30 bn. 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 pathological gambling. These effects include bankruptcy, crime, bad debts, and other behaviors associated with disordered gamblers. 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.

Some of the more recent issues in the gambling world include the continued popularity of poker, the expansion of online gambling, and the legalization of sports betting in many states. We will discuss these issues too.

**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.

*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](http://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](http://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. Course grades are assigned based on points earned. To receive a passing grade, you must earn at least 60% of the available points. Your course grade will be no lower than that indicated by a 90(A)-80(B)-70(C)-60(D) scale.

**Assignments:** Your course grade will be based on your performance on the following assignments.

*SmartBrief Discussion (ungraded)* – 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.

*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.

*Quizzes (15 pts. each)* – We will have up to 4 quizzes during the term. The quizzes will be given at the beginning of class, but the 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 lectures.

*Project (40 pts.)* – For the project, you have four options. (1) Attend four sessions at the 17<sup>th</sup> International Conference on Gambling and Risk-Taking, May 27-30. Write a 1-2 page review of each session, in which you describe the take-away from each paper in each session. (2) Complete the Take-Home assignments handed out in class. (3) Write a short paper on some interesting topic in gambling research. You must clear your topic with me in advance. (4) Some other project, you may suggest, but I must approve.

Project options 2-4 are due at 9:30am on Friday, May 31 (i.e., at the beginning of the Final Exam). If you do project option 1, you must turn in your reviews by noon on Saturday, June 1. You may email your reviews in a [single pdf](mailto:WalkerD@cofc.edu) to [WalkerD@cofc.edu](mailto:WalkerD@cofc.edu).

*Final Exam (100 pts.)* – The final exam is scheduled for Friday, May 31, 9:30-11:30. (Note that your time is limited because the exam is not a 3.5 hour exam.) The exam may include a variety of questions, such as multiple choice, essay, short answer, and graphical problems.

**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 Tuesday, May 14.

**Dropping the Course:** The last day to withdraw from the course (W grade) is Friday, May 24.

**Attendance, Make-Up Work, and Late Work:** It is critical that you attend each lecture, especially given this is a Maymester class. If you do miss a class, you should get notes from another student. NO MAKE-UP WORK IS OFFERED AND LATE WORK IS NOT ACCEPTED, FOR ANY REASON.

**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.

**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.**