

Lecture Info: BellSouth 403 | W 4:00 - 6:45pm | August 19 – November 18

Professor: Doug Walker | 427 Beatty | (307) 418-7650 | dougwalker2@gmail.com

Course Materials: See the course webpage, at <http://dougwalker.org>

Office Hours: Text for an appointment: W 3:00 - 3:45 and Tu/Th 9:30 - 11:30

Prerequisites: ECON 200 and 201; a college statistics and calculus class

Background: The modern era of legalized gambling in the United States began with the legalization of the New Hampshire lottery in 1964. Now, all but five U.S. states operate lotteries. One source reported total U.S. lottery sales of over \$110bn in 2025, a 3% decrease from sales the previous year.

In 1989, South Dakota became the first state outside of NV and NJ to legalize casinos. The American Gaming Association reports that by the end of 2023, casinos were operating in all but eight states. This includes 405 land-based casinos, 36 riverboat casinos, 52 racinos, and 521 tribal casinos across the country. Commercial and tribal casino revenues were estimated at \$125bn in 2025! These are amazing figures, given that casino gambling has gone from “vice” to “entertainment” in just 35 years.

More recently, technological advances and legal decisions have enabled online gambling in states. Currently, seven states allow “iGaming,” or casino games and poker to be played on one’s phone. More importantly, the 2018 decision by the U.S. Supreme Court (*Murphy vs NCAA*) opened the door to legal sports betting. By the end of 2025, 39 states plus D.C. had legalized sports betting.

Macao is a Chinese “administrative region” (formerly a Portuguese colony) about 50 miles west of Hong Kong. It is the largest casino market in the world. In 2025, total revenues were around US\$30bn. This is about 85% of Macao’s 2019 (pre-COVID) revenue.

Not all casino markets in the United States are healthy. In the northeast US, there is worry within the industry that the market is “saturated.” For example, of the twelve casinos once operating in Atlantic City five have closed since 2014. Since then, revenues have been rebounding and were around \$2.9bn in 2025. However, this is much lower than Atlantic City’s best year (2006), when it had revenue of \$5.2bn.

Gambling of some form is available to everyone in the U.S., even in places like South Carolina where it is illegal. Most of the expansion in the industry over the past two decades have been in new forms of gambling made possible by legislative and technological changes.

Course Description: This course is an examination of the gambling industry, especially in the United States. Much of the focus is on the economic and social impacts of the expanding industry. We will focus primarily on casinos, but also lotteries, online gambling, and sports betting. The course will begin with the statistical theory of games of chance. Then we’ll discuss the economic impacts of legalized casinos, as well as the potential social costs of the industry. Because these costs are mostly attributable to “gambling disorder,” we will also discuss that issue and related behaviors. We will also have time to examine topics of particular interest to students.

Through lectures, readings, movies and video clips, and perhaps guest lectures, students will become familiar with the debate of legalized gambling in the United States since around 1987. Readings from books and journals will be assigned and provided on the course webpage.

Recommended Books: There are 3 recommended books; free PDF versions are available.

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.

Casino Math, 2e, by Bob Hannum and Tony Cabot.
© 2005, Trace Publications. ISBN 0-942828-53-4.

Course Outline: The anticipated course outline is listed below; the updated outline will be on the course webpage.

Introduction and review of microeconomics	The social costs of gambling
Statistical theory, games of chance	Gambling disorder
Lotteries	Responsible gambling and win limits
Casinos – economic growth & tax revenues	Online poker & casino games
Gambling, consumer behavior, & welfare	Sports betting

Grading: Your course grade will be based on your performance on a variety of assignments, listed below.

Assignment	Point Value	Date
Homework	5 pts. each (up to 5)	TBA
Quizzes	10 pts. each (up to 5)	
Exam 1	50 pts.	
Exam 2	50 pts.	
Final Exam	50 pts.	Friday, December 4, 6:00-7:30pm

Quizzes may not be announced in advance. The final exam is scheduled by the College, and you must take the exam at the scheduled time.

If you have an idea for a research report, casino visit, gambling simulator, new casino game, or other interesting project, you may request to complete a project (30 pts.) and “final quiz” (20 pts.) in lieu of taking the final exam. More details TBA, but I anticipate a limited number of projects being approved.

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 88-89.9%. I expect the mean, median, and mode grades in the class to be a C.

I usually invite several guest speakers to the class. If we have guest speakers, I strongly encourage your attendance and I may count it as a homework or quiz grade, at my discretion.

Make-Up Work, and Late Work: No make-up or late work is accepted, for any reason. All missed grades will be replaced with your final exam grade percentage. If you must skip the final exam due to a personal or medical emergency, we will schedule a make-up on December 6. Approval for missing the final exam is at my discretion. To be eligible for a make-up exam, you must email me with the reason for your absence before 6:00pm on December 4.

Students with Learning Disabilities: If you require accommodations, please submit a copy of a current Professor Notification Letter to me from the Center for Disability Services no later than Wednesday, September 2.

Dropping the Course: The last day to withdraw from the course (W) is Thursday, October 22.

Cheating: Cheating is a serious offense, and the penalty if you are caught 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.

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.