

**Special Issue Workshop for *Economica* on:
The Growth of Gambling and Prediction Markets:
Economic and Financial Implications**

**University of California, Riverside Palm Desert Graduate Center
Palm Desert, CA 92211**

Sponsored by

**Nottingham University Business School
A. Gary Anderson Graduate School of Management
University of California, Riverside Palm Desert Graduate Center
Nottingham Trent University**

May 20-22, 2007

Co-Organizers and Guest Editors:

**Professor David Paton, Nottingham University Business School
Professor Donald Siegel, University of California, Riverside
Professor Leighton Vaughan Williams, Nottingham Trent University
Professor William Ziemba, University of British Columbia**

[Click for Overview](#)

Gambling: Design and Implementation 1

Monday May 21, 2007

2:00 P.M.-4:00 P.M.

Room B114

[“An Examination of the Determinants of Biased Behaviour in a Market for State Contingent Claims”](#)

Professor Johnnie Johnson, Southampton University

Professor Alistair Bruce, University of Nottingham

Professor Jiejun Yu, University of Birmingham

[“Non-Expected Utility Models and Heterogeneity in Risk Attitudes: Towards an Explanation of Gambling Outcomes for Individuals and Markets”](#)

Professor David Peel, Lancaster University

Professor David Law, University of Wales, Bangor

[“Evidence of a Weekend Effect in a Market for State Contingent Claims”](#)

Professor Ming-Chien Sung, Southampton University

Professor Johnnie Johnson, Southampton University

Discussant:

Professor David Paton, University of Nottingham

Gambling: Design and Implementation 2

Tuesday May 22, 2007

11:00 A.M.-12:30 P.M.

Room B114

[“An Examination of the Economic Behavior In Buying Lottery Tickets”](#)

Professor Drew B. Winters, Texas Tech University

Professor Mark Griffiths, Miami University

Professor Ozzy Akay, Texas Tech University

[“Why Score Probability Forecasts Categorically? Empirical Evidence of Increased Betting”](#)

Professor David Johnstone, University of Sydney

Professor Andrew Grant, University of Sydney

[“Optimal Betting Strategies for Simultaneous Games”](#)

Professor Andrew Grant, University of Sydney

Professor David Johnstone, University of Sydney

Professor Oh Kang Kwon, University of Sydney

Discussant: Professor Rodney J. Paul, St. Bonaventure University

Gambling: Design and Implementation 3

Monday May 21, 2007

2.00 P.M.-4.00 P.M.

Room B117

[“Are Political Markets Really Superior to Polls as Election Predictors?”](#)

Professor Bob Erikson, Columbia University

Professor Chris Wlezien, Temple University

[“Optimal Price Setting in Fixed-Odds Betting Markets Under Information”](#)

Professor Raphael Markellos, Athens University of Economics and Business

Professor Vasiliki A. Makropoulou, Athens University of Economics and Business

[“Betting on Yourself... and Losing: The Economics of Weight Loss Bets”](#)

Professor John Lynham, University of California at Santa Barbara

Professor Nick Burger, University of California at Santa Barbara

Discussant:

Professor Leighton Vaughan Williams, Nottingham Trent University

Gambling and Public Policy 1

Monday May 21, 2007

2:00 P.M.-4:00 P.M.

Room B200

[“The State of Indian Gaming”](#)

Dr. Alan Meister, Analysis Group, Inc.

[“The Economics of Indian Casinos and the Strategy of Economic Development through Commercial Gaming”](#)

Professor Gary C. Anders, Arizona State University

[“Competition and Monopoly in the Gambling Market-A Theoretical Approach”](#)

Professor Herbert Walther, Vienna University of Economics and Business Administration

[“Estimating the Impact of Illicit Drugs Use on Gambling Behavior: Evidence from the U.S. Casino Industry and Drugs Arrests”](#)

Dr. Erik Feijen, The World Bank

Discussant:

Professor Donald Siegel, University of California, Riverside

Gambling and Public Policy 2

Monday May 21, 2007

4:30 P.M.-6:30 P.M.

Room B114

[“Different Country, Different Millennium, Different Technology. Same Subsidy, Same Result?”](#)

Professor Ramon DeGennaro, University of Tennessee

[“What Does a Concept Attract? The Case of Gaming in Macau”](#)

Professor Raymond So, Chinese University of Hong Kong

[“An Economic Analysis of Problem Gambling, The Gambler’s Fallacy and the Taxation of Gambling”](#)

Professor John Peirson, University of Kent

Discussant:

Dr. Erik Feijen, The World Bank

Gambling and Public Policy 3

Tuesday May 22, 2007

11:00 A.M.-12:30 P.M.

Room B200

[“Is Casino Gaming a Productive Sector? A Conceptual and Cross-Jurisdiction Analysis”](#)

Professor Ricardo Siu, University of Macau

[“Productivity Measurement in Gambling: Plant-level Evidence from the United Kingdom”](#)

Professor David Paton, University of Nottingham

Professor Donald Siegel, University of California, Riverside

Professor Leighton Vaughan Williams, Nottingham Trent University

[“The Impact of Casino Gambling on Housing Markets: A Hedonic Approach”](#)

Professor Mike Wenz, Winona State University

Discussant:

Professor Douglas Walker, Georgia College

Casinos and Economic Growth

Monday May 21, 2007

10:30 A.M.-12:30 P.M.

Room B114

[“The Casino Effect: Do Casinos Spur Growth and Which Communities Benefit?”](#)

Professor Chad D. Cotti, University of South Carolina

[“The Effect of Legalized Gambling on State Tax Revenue”](#)

Professor Douglas Walker, Georgia College

Professor John Jackson, Auburn University

[“Spatial Characteristics of Gambling Expansion - An Analysis of Cross Border Effects”](#)

Professor Shannon Neibergs, Washington State University

Discussant:

Professor Gary C. Anders, Arizona State University

Horse Racing

Tuesday May 22, 2007

9:00 A.M.-10:30 A.M.

Room B114

[“Inferring Risk Preferences Using Synthetic Win Bets in Horse Betting “Exotic” Markets”](#)

Professor Philip O'Connor, University of Waikato

[“The Parimutuel Kelly Probability Scoring Rule”](#)

Professor David Johnstone, University of Sydney

[“Efficiency and Arbitrage Across Parimutuel Pools”](#)

Professor Marshall Gramm, Rhodes College

Professor Nick McKinney, Rhodes College

Professor Doug Owens, Texas A & M

Discussant:

Professor David Edelman, University College, Dublin

Prediction Markets and Public Policy 1

Tuesday May 22, 2007

9:00 A.M.-10:30 A.M.

Room B200

[“Hitting Home Runs and the Art of Corporate Valuation: Do Managers or the Prediction Market Make Better Predictions?”](#)

Professor Orly Sade, New York University and Hebrew University

[“SP Betting as a Self-Enforcing Implicit Cartel”](#)

Professor Adi Schnytzer, Bar Ilan University

Professor Avichai Snir, Bar Ilan University

[“Prediction Markets as a Tool for Management of Political Risk”](#)

Professor Ole Jakob Bergfjord, Norwegian School of Economics

Discussant:

Professor Greg Durham, Montana State University

Prediction Markets and Public Policy 2

Monday May 21, 2007

2:00 P.M.-4:00 P.M.

Room B118

[“Bookmaker and Pari-Mutuel Betting: Is a \(Reverse\) Favourite-Longshot Bias Built-In?”](#)

Professor Alexander Koch, Royal Holloway College-University of London

Professor Hui-Fai Shing, Royal Holloway College-University of London

[“Public Signal Bias and Prediction Market Accuracy”](#)

Professor Tom Gruca, University of Iowa

Professor Joyce E. Berg, University of Iowa

[“Ignorance Prior Bias in Prediction Markets”](#)

Professor Lionel Page, University of Westminster

Discussant:

Professor Justin Wolfers, University of Pennsylvania

Sports Betting 1

Tuesday May 22, 2007

9:00 A.M.-10:30 A.M.

Room B117

[“The Impact of Sentiment on Point Spreads in the College Football Wagering Market”](#)

Professor Greg Durham, Montana State University

Professor Tod Perry, Indiana University

[“Does Sportsbook.com Set Pointsreads to Maximize Profits? Tests of the Levitt Model of Sportsbook Behavior”](#)

Professor Rodney J. Paul, St. Bonaventure University

Professor Andrew P. Weinbach, Coastal Carolina University

[“Forecasting Volume of Transactions in a Betting Market: An Experiment”](#)

Dr. Loreto Llorente, Universidad Pública de Navarra

Discussant:

Professor Bruno Deschamps, University of Bath

Sports Betting 2

Monday May 21, 2007

4:30 P.M.-6:30 P.M.

Room B200

[“The Economics of the Setting of Bookmakers’ Odds”](#)

Professor John Peirson, University of Kent

Professor William Collier, University of Kent

[“An Analysis of Tradesports’ 2005-06 National Football League Prediction Market”](#)

Professor Feng Zhou, University of Waikato

Professor Philip O'Connor, University of Waikato

[“Is it a Home, Away, Favorite or Underdog Bias in the NFL?”](#)

Professor William H. Dare, Oklahoma State University

Professor Steve Dennis, University of North Dakota

Discussant:

Professor Adi Schnytzer, Bar-Ilan University

Sports Betting 3

Monday May 21, 2007

10:30 A.M.-12:30 P.M.

Room B200

[“Testing the Efficiency of Markets in the 2002 World Cup”](#)

Professor Steve Levitt, University of Chicago

Professor Ricard Gil, University of California at Santa Cruz

[“Market Efficiency and Internet Betting: Evidence from European Football”](#)

Professor Bruno Deschamps, University of Bath

[“Expectations of Lotteries”](#)

Professor Ian McHale, Salford University

Discussant:

Professor Stefan Luckner, University of Karlsruhe

Favorite-Longshot Bias

Monday May 21, 2007

4:30 P.M.-6:30 P.M.

Room B117

[“An Alternative Explanation of the Favorite–Longshot Bias”](#)

Professor Stefan Winter, Ruhr-Universität Bochum

Professor Martin Kukuk, University of Wuerzburg

[“The Link between Information and the Favorite-Longshot Bias in Pari-mutuel Wagering Markets”](#)

Professor Andrew P. Weinbach, Coastal Carolina University

Professor Rodney J. Paul, St. Bonaventure University

[“Towards a New Generation of League-Tabling Models in Horserace Handicapping”](#)

Professor David Edelman, University College, Dublin

Discussant:

Professor Johnnie Johnson, Southampton University

Gambling and Prediction Markets: Experimental Methods

Monday May 21, 2007

10:30 A.M.-12:30 P.M.

Room B117

[“Time-inconsistent Risk Preferences in a Laboratory Experiment”](#)

Professor Jeremy Ko, Penn State

Professor Zhijian (James) Huang, Penn State

[“The Effect of Prior Beliefs and Outcomes on Information Processing in an Investment Experiment”](#)

Professor Jeremy Ko, Penn State

Professor Oliver Hansch, Penn State

Professor Mike Lockerbie, Penn State

[“Ambiguity, Rules, and Asset Prices: The College Football Wagering Market”](#)

Professor Ron Mau, Western Carolina University

Discussant:

Professor Philip O'Connor, University of Waikato

Gambling and Prediction Markets: Cross Cultural and Sociological Perspectives

Tuesday May 22, 2007

11:00 A.M.-12:30 P.M.

Room B117

[“Price Formation in Sports Prediction Markets: A Cross-Cultural Study”](#)

Professor Stefan Luckner, University of Karlsruhe

[“Socially Embedded Prediction Markets”](#)

Dr. Yiling Chen, Yahoo! Research

Dr. David M. Pennock, Yahoo! Research

[“Do More Opportunities Lead to More Gamblers? Explaining the Growth in Gambling in the U.S. from a Cultural Perspective”](#)

Professor Andrew Economopoulos, Ursinus College

Discussant:

Professor Lionel Page, University of Westminster

Plenary Session

Tuesday May 22, 2007

1:30 P.M.-3:30 P.M.

Room B100

[“Manipulators Increase Information Market Accuracy”](#)

Professor Robin Hanson, George Mason University

Professor Ryan Oprea, University of California, Santa Cruz

[“Is There a Favorite-Longshot Bias in Election Prediction Markets?”](#)

Professor Justin Wolfers, University of Pennsylvania

Professor Eric Zitzewitz, Stanford University

Andrew Leigh, Australian National University

[“Using Markets to Inform Policy: The Case of the Iraq War”](#)

Professor Eric Zitzewitz, Stanford University

Professor Justin Wolfers, University of Pennsylvania

Discussant:

Professor Donald Siegel, University of California, Riverside

**Special Issue Workshop for *Economica* on:
The Growth of Gambling and Prediction Markets: Economic and Financial Implications
Overview of the Program**

Sunday, May 20, 2007			
5:30 P.M.-7:00 P.M.	<i>Registration and Social Hour at the Marriott Desert Springs</i>		
7:00 P.M.-9:00 P.M.	<i>Reception and Welcoming Address at the Marriott Desert Springs</i>		
Monday, May 21, 2007			
7:45 A.M.-8:45 A.M.	<i>Continental Breakfast at the Marriott Desert Springs</i>		
8:45 A.M.-9:00 A.M.	<i>Bus from Marriott Desert Springs to UC-Riverside Palm Desert Graduate Center</i>		
9:00 A.M.-10:00 A.M.	<i>Welcome by Professor Donald Siegel /Keynote Address</i> Professor Steven Levitt <i>Alvin H. Baum Professor of Economics</i> <i>University of Chicago (Author of Freakonomics)</i>		
10:00 A.M.-10:30 A.M.	<i>Break</i>		
10:30 A.M.-12:30 P.M.	<i>Casinos & Economic Growth</i>	<i>Sports Betting 3</i>	<i>Gambling & Prediction Markets: Experimental Methods</i>
12:30 P.M.-2:00 P.M.	<i>Lunch Speaker</i> <i>Professor William Eadington</i> <i>Professor of Economics & Director of the Institute for the Study of Gambling and Commercial Gaming</i> <i>University of Nevada, Reno</i>		
2:00 P.M.-4:00 P.M.	<i>Gambling: Design & Implementation 1</i>	<i>Gambling: Design & Implementation 3</i>	<i>Gambling & Public Policy 1</i> <i>Prediction Markets & Public Policy 2</i>
4:00 P.M.-4:30 P.M.	<i>Break</i>		
4:30 P.M.-6:30 P.M.	<i>Gambling and Public Policy 2</i>	<i>Sports Betting 2</i>	<i>Favorite-Longshot Bias</i>
8:00 P.M.-10:00 P.M.	<i>Conference Dinner</i>		
Tuesday, May 22, 2007			
7:45 A.M.-8:45 A.M.	<i>Continental Breakfast at the Marriott Desert Springs</i>		
8:45 A.M.-9:00 A.M.	<i>Bus from Marriott Desert Springs to UC-Riverside Palm Desert Graduate Center</i>		
9:00 A.M.-10:30 A.M.	<i>Horse Racing</i>	<i>Prediction Markets & Public Policy 1</i>	<i>Sports Betting 1</i>
10:30 A.M.-11:00 A.M.	<i>Break</i>		
11:00 A.M.-12:30 P.M.	<i>Gambling: Design & Implementation 2</i>	<i>Gambling & Public Policy 3</i>	<i>Gambling & Prediction Markets: Cross Cultural & Sociological Perspectives</i>
12:30 P.M.-1:30 P.M.	<i>Lunch</i>		
1:30 P.M.-3:30 P.M.	<i>Plenary Session</i> <i>Papers by Professors Robin Hanson (George Mason), Justin Wolfers (Penn), and Eric Zitzewitz (Stanford)</i>		
3:30 P.M.-3:45 P.M.	<i>Closing Remarks</i>		
3:45 P.M.	<i>Adjourn</i>		