PFL Academy

Teacher Guide: Chapter 12.2 — The Costs and Benefits of Gambling

OVERVIEW

TIME	MATERIALS	PREREQUISITES
45-50 Minutes	Student Activity Packet, Calculator	L-36 Understanding Gambling Risks

LESSON FLOW

5 min **THE CHALLENGE**

- Read the casino development scenario aloud.
- Ask: "What questions would you want answered before supporting or opposing this?"
- Note that this is a real decision many communities face—there's no simple answer.

10 min **CORE CONCEPTS**

- Emphasize the "entertainment approach"—gambling has a cost like movies or concerts.
- Review the spectrum from recreational gambling to problem gambling.
- Discuss community impacts: economic benefits vs. social costs.
- Quick check: Have students name one benefit and one cost of community gambling.

25 min **APPLY IT**

- **Part A (8 min):** Entertainment comparison. Calculate cost per hour, discuss how gambling differs from other entertainment.
- **Part B (8 min):** David vs. Mark comparison. Identify warning signs of problem gambling.
- **Part C (9 min):** Community impact analysis. Discuss regressive taxation concept and net benefit calculation.

10 min **CHECK YOUR UNDERSTANDING**

- Complete in class or assign as homework.
- Review Q3 calculation carefully—this connects to policy analysis.
- Q5 reflection has no single right answer—emphasize reasoning over position.

DIFFERENTIATION

Support

- Create a T-chart comparing recreational vs. problem gambling behaviors.
- Provide a checklist of warning signs for students to reference.
- Work through the cost-per-hour calculations as a class.
- Use simple examples to explain regressive taxation.

Extension

- Research your state's gambling revenue and how it's used.
- Analyze a real casino proposal and its economic impact study.
- Compare gambling policies across different countries.
- Create a public service announcement about responsible gambling.

Part A: Entertainment Value Comparison

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Cost Per Hour Calculations:
Movie: $15 / 2 hours = $7.50/hour
Concert: $100 / 3 hours = $33.33/hour
Casino: $100 / 4 hours = $25/hour

Q1: Viewing gambling as entertainment means:
- Budget from discretionary funds, not necessities
- Set a fixed amount you're willing to lose
- Stop when limit is reached (don't chase losses)
- Expect to lose money; winnings are a bonus
- Compare value to other entertainment options
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Part B: Recreational vs. Problem Gambling

Q2 Warning signs in Mark:

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Any THREE of:
- Using savings to "win back" losses (chasing losses)
- Thinking about gambling during work
- Using credit cards to fund gambling
- Lying about time spent at casino
- Exceeding his original $200/month budget
- Prioritizing gambling over other activities
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Part C & Check Your Understanding

Q3 Regressive taxation: Gambling revenue is "regressive" because lower-income households spend a higher percentage of their income on gambling than higher-income households. For example, a family earning $30,000 might spend $950/year (3.2%) while a family earning $100,000 spends $250/year (0.25%).

CYU 1: B (Gambling is a leisure activity with an expected cost, like movies)

CYU 2: A (Setting a budget and sticking to it is a SIGN of healthy gambling, not a warning sign)

CYU 3: $10M - ($2M + $1.5M + $0.5M) = $10M - $4M = **$6 million net benefit**

CYU 4: Any THREE: Set a budget and stick to it, set time limits, use only discretionary funds, never chase losses, take regular breaks, don't gamble when upset, don't borrow money to gamble.

> *CYU 5: Accept thoughtful responses that weigh benefits against costs. Strong answers will include conditions like: funding for problem gambling treatment, advertising restrictions, strong regulation, portion of revenue for local services, self-exclusion programs.*

COMMON MISCONCEPTIONS

Misconception	Clarification
"Gambling is always bad and should be prohibited."	Gambling can be safe entertainment when approached responsibly with clear limits. The key is viewing it as recreation with a cost, not as income or investment.
"Casino tax revenue is 'free money' for communities."	Gambling revenue comes with associated costs: problem gambling treatment, social services, law enforcement. Net benefit depends on the

	specific situation.
"Problem gambling only affects weak-willed people."	Problem gambling is influenced by many factors: genetics, mental health, life circumstances, and game design. Anyone can be vulnerable, especially during stressful periods.