

In the first chapter, I examine the effects of emotional shocks on subjective wellbeing and the role social context plays in how shocks are experienced. Using data from the Behavioral Risk Factor Surveillance System (BRFSS), the study uses an ordered logit model to estimate the effects of the local college football team's wins and losses on the life satisfaction of local citizens. The analysis suggests that unexpected wins have positive effects on life satisfaction. The results are driven entirely by games played at the home stadium, indicating that the impacts of emotional shocks are larger if the experience is shared with other fans. Moreover, the effects increase with the size of the stadium relative to the local population, suggesting that social context is likely to be the underlying factor. Surprisingly, no effects are found for cases of unexpected losses.

The second chapter examines the relationship between the number of on-field officials and committed fouls, a phenomenon connected to the economics of crime. Economists have found mixed evidence on what happens when the number of police increases. On one hand, more law enforcers means a higher probability of detecting a crime, which is known as the monitoring effect. On the other hand, criminals incorporate the increase into their decision-making process and thus may commit fewer crimes, constituting the deterrence effect. This study analyzes the effects of an increase in the number of on-field college football officials, taking players as potential criminals and officials as law enforcers. Analyzing a novel play-by-play dataset from two seasons of college football, we report evidence of the monitoring effect being present in the overall dataset. This effect is mainly driven by offensive penalties that are called in the area of jurisdiction of the added official. Decomposition of the effect indicates the presence of the deterrence effect in cases of penalties with severe punishment or those committed by teams with moderate to high ability, suggesting that teams are able to strategically adapt their behavior following the addition of an official.

In the third chapter, we analyze the role of stake size in the sports betting market. Our main research question is whether the size of the stake predicts the betting outcomes, i.e. whether bettors can consistently select relatively more profitable events at the most important times. The study utilizes a unique sports betting dataset that includes over 28 million bets by registered customers. We find that bettors are successfully able to vary the stakes in order to increase the probability of their bets winning, but not so much as to increase the net revenue of their bets. The results further suggest that only the most skilled bettors are successfully able to vary the stake size to increase the net revenue. The results are valid regardless of whether bettor fixed effects are included in the analysis, indicating that the relationship between the stake and betting outcomes is driven by variation in individual bets.