

GAMING INDUSTRY FAQ



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Introduction

While casino gaming has been legal in Nevada for more than seven decades and in Atlantic City, N.J., for more than a quarter century, it was not until the late 1980s and early 1990s that other jurisdictions across the country began to introduce commercial casino gaming. Today, commercial casinos are located in 11 states, bringing myriad benefits to states and local communities where they operate.

Despite a large body of research that has documented the benefits of casinos, gambling opponents continue to make baseless claims about the industry. The following are responses to some of the most common misconceptions about gaming based on the findings of a congressionally mandated, federally funded gambling impact study commission, as well as numerous other studies on the social and economic impact of casino gaming.

QUESTION

What are the economic impacts of the casino gaming industry?

ANSWER

The introduction of casino gaming creates employment opportunities and generates tax revenue for state and local governments, while also serving as an economic stimulus for local communities.

In 2002, the commercial casino industry provided more than 350,000 jobs in the United States, with wages and benefits totaling \$11 billion. An estimated 400,000 additional jobs are supported by casino industry spending.¹ State and local governments nationwide received more than \$4 billion in casino tax revenue, which helped fund local infrastructure improvements, education, public safety, housing and health care, among other programs, and provided tax relief to local citizens.²

A two-year study of legalized gambling in the United States conducted by the congressionally mandated National Gambling Impact Study Commission (NGISC) found much evidence confirming the positive economic impact of casino gaming. The 1999 NGISC final report concluded the following: “As it has grown, [gambling] has become more than simply an entertainment past-time: the gambling industry has emerged as an economic mainstay in many communities and plays an increasingly prominent role in state and even regional economies.”³

Research conducted on behalf of the commission confirmed that casino gaming creates jobs and reduces the level of unemployment and government assistance in communities that have legalized it. The University of Chicago’s National Opinion Research Center (NORC) found that communities closest to casinos experienced a 12 percent to 17 percent drop in welfare payments, unemployment rates and unemployment insurance after the introduction of casino gaming. NORC also found that communities with casinos have 43 percent higher earnings in their hotel and lodging sectors than those communities farther from casinos.⁴

In other commission-funded research, Adam Rose, an economist at Penn State University, concluded: “...[A] new casino of even limited attractiveness, placed in a market that is not already saturated, will yield positive economic benefits on net to its host economy.”⁵

In its final report, the NGISC summarized the testimony heard from more than 20 elected officials from jurisdictions with casino gaming: “... Without exception [they] expressed support for gambling and recited instances of increased revenues for their cities. They also discussed community improvements made possible since the advent of gambling in their communities and reviewed the general betterment of life for the citizenry in their cities and towns.”⁶

QUESTION

Do communities with casinos experience unique or elevated levels of social problems?

ANSWER

The preponderance of evidence demonstrates that the social problems in communities with casinos are no different than those in communities without casinos.

A study issued by the General Accounting Office (GAO), the investigative arm of the U.S. Congress, found “no conclusive evidence on whether or not gambling caused increased social problems in Atlantic City.”⁷ And a leading business group in Baltimore looking at data from other existing gaming jurisdictions concluded that “... casinos are not likely to have a substantial impact on crime and other social problems.”⁸

An important—but frequently ignored—factor in assessing potential social impact is the rate of problems in a community before the legalization of casino gambling. Casinos typically are approved as an economic stimulus to a community and therefore are located in areas that have higher existing rates of problems that often are influenced by poverty.⁹

In many cases, studies have shown that because casinos are labor-intensive businesses, they can actually *alleviate* some common social problems.

According to research conducted for the National Gambling Impact Study Commission (NGISC), some of the most common indicators of social welfare improved with the advent of casino gaming. A report by the University of Chicago’s National Opinion Research Center (NORC) found those communities closest to casinos experienced a 12 percent to 17 percent drop in welfare payments, unemployment rates and unemployment insurance after the introduction of casino gaming.

Charles Wellford, a University of Maryland criminologist who directed a National Academy of Sciences panel commissioned by the NGISC to study pathological gambling, stated in testimony before the Maryland House of Delegates that the few scientifically acceptable cost-benefit analyses have found a net financial benefit from gambling.¹⁰

A comprehensive survey of casino employees supports the conclusions reached in the commission’s research. According to the 1997 PricewaterhouseCoopers survey of 178,000 employees—more than half of the commercial casino industry work force in the United States—16 percent had used their casino jobs to replace unemployment benefits, 63 percent had improved their access to health care benefits, 43 percent had better access to day care for their children, 65 percent had been able to develop new job skills as a result of their employment and 78 percent indicated that their employer provided them with training to perform their job.¹¹

For more detailed information on social impact, refer to the questions relating specifically to bankruptcy, crime and pathological gambling.

QUESTION

If casinos open in a community, will there be an increase in the number of pathological gamblers?

ANSWER

While some people assume that gambling disorders will increase if there is an expansion of gambling, the research is not at all conclusive on this topic. In fact, a significant body of research has reached the opposite conclusion.

A comparison of findings of two federal study commissions shows that, despite the dramatic expansion of gaming across the country in recent years, the prevalence rate of pathological gambling has remained relatively unchanged. According to the Commission on the Review of the National Policy Toward Gambling, the U.S. pathological gambling prevalence rate was 0.77 percent in 1976, when casino gambling was legal only in the state of Nevada.¹² More than two decades later, with commercial and Native American casinos operating in approximately 30 states, gambling participation rates doubling and consumer spending exceeding \$40 billion annually, the National Gambling Impact Study Commission (NGISC) determined a similar prevalence rate of 0.6 percent.¹³

Further NGISC research conducted by the National Opinion Research Center at the University of Chicago (NORC) supports this finding. According to a random national survey, prevalence rates are not affected by distance to a casino. The NORC final report stated: “[W]e found little difference in the prevalence of at-risk gambling in the combined survey [patron and phone surveys], and differences in prevalence were not statistically significant in the RDD [phone] survey [alone].”¹⁴

Charles Wellford, a University of Maryland criminologist who directed a National Academy of Sciences panel commissioned by the NGISC to study pathological gambling, stated in testimony before the Maryland House of Delegates that expanded legal gambling opportunities in that state would not lead to significantly higher levels of pathological gambling and would generate revenues in excess of costs.¹⁵

Other independent commissions reached similar conclusions. A 2000 report by the Public Sector Gaming Study Commission, a non-partisan panel composed primarily of state and local public officials, also concluded that the level of pathological gambling cannot be linked to gambling expansion. It stated: “In short, there is no solid basis for concluding that the wider legalization of gambling, which has cut into illegal gambling and friendly betting, has caused a concomitant increase in pathological gambling. In fact, it appears that pathological gambling is quite rare within the general population, (and) it does not appear to be increasing in frequency.”¹⁶

Research conducted in many areas, both within the United States and internationally, has shown that the prevalence of pathological gambling has either remained stable or even decreased, despite the

introduction of new gambling facilities. In a comprehensive 1999 survey of gambling in New Zealand, researchers concluded that the number of problem gamblers has dropped since 1991.¹⁷ Similar results were found in a state government study that compared prevalence rates in Connecticut in 1991 versus 1996, noting, "... [P]robable pathological gambling rates may actually have fallen in Connecticut, and have certainly not risen, during a period in which one of the largest casinos in the world was opened in the state."¹⁸ Follow-up studies in Louisiana, South Dakota, Michigan, Minnesota, Oregon, Texas, Washington, British Columbia and South Africa uncovered similar results.¹⁹

Further evidence to counter a link between gambling expansion and an increase in the prevalence of pathological gambling can be found in a 1997 meta-analysis by researchers at Harvard Medical School's Division on Addictions. While the report did find that studies released from 1993 to 1997 showed a slightly higher prevalence rate than studies from 1974 to 1993, it does not say that expansion increased problems. If exposure were directly linked to the rate of pathological gambling, it should jump significantly during a period of such rapid expansion.

What the meta-analysis did find were no regional differences in the prevalence of gambling disorders.²⁰ This finding suggests that areas with a higher concentration of gambling opportunities do not experience higher levels of gambling disorders than other regions because of proximity.

The perfect test cases to determine whether or not increased exposure leads to increased problems are casino employees. In a comprehensive study conducted by Harvard Medical School's Division on Addictions, researchers initially found higher levels of pathological gambling among casino employees than the general adult population. However, in one-year and two-year follow-up studies with the same group of casino employees, overall prevalence rates decreased over time, allowing the authors to suggest that gambling problems are not always progressive.²¹

An important—but frequently ignored—factor in assessing potential social impact is the rate of social problems in a community before the legalization of casino gambling. Casinos typically are approved as an economic stimulus to a community and therefore are located in areas that have higher rates of problems that often are influenced by poverty. Other new research shows that casinos decrease mental health problems by reducing the burdens of poverty. These are similarly related to distance from casinos.²²

QUESTION

How many pathological gamblers are there?

ANSWER

Unfortunately, a small percentage of the population does not gamble responsibly, just as a small percentage of the population does not use credit cards responsibly or drink responsibly. In its 1999 report, the federally funded National Gambling Impact Study Commission (NGISC) stated: “[T]he vast majority of Americans either gamble recreationally and experience no measurable side effects related to their gambling, or they choose not to gamble at all. Regrettably, some of them gamble in ways that harm themselves, their families, and their communities.”²³

Studies suggest pathological gambling is confined to about 1 percent or less of the U.S. adult population. According to research commissioned by the NGISC, the rate could be anywhere from 0.1 percent or 0.6 percent²⁴ to 0.9 percent.²⁵ According to a 1997 meta-analysis conducted by Harvard Medical School’s Division on Addictions, 1.1 percent of the adult population of the United States and Canada can be classified as having the clinical disorder known as pathological gambling.²⁶ The results of the Harvard study, later published in the *American Journal of Public Health*, have been praised by the National Research Council of the National Academy of Sciences as “the best current estimates of pathological and problem gambling among the general U.S. population and selected subpopulations...”²⁷

Regardless of the number of people affected, the industry has been pro-active in promoting responsible gaming. Through a combination of public education efforts and funding of peer-reviewed, independent research, the industry has worked to improve diagnosis, prevention and treatment of this disorder.

QUESTION

Does casino gambling prey on the poor and the elderly?

ANSWER

Assumptions about the relationship between this industry and its older customers fail to take into account some of the latest research examining the impact of casino gambling on senior citizens as well as actual customer demographics.

A 2003 study funded by the National Institute of Justice compared the casino gambling practices of the elderly to those of younger gamblers in eight new casino jurisdictions, concluding that the data “do not support the view that casino gambling is a major threat to the elderly, preying on the aged and leading them to destructive gambling practices.” Furthermore, the study found that the elderly “generally exercise better money management and experience proportionately fewer gambling problems than the general population.”²⁸

Other research reached similar conclusions. According to a published study of elderly women gamblers conducted by researchers at Michigan State University, “The primary motivation for gambling with elderly women is excitement and entertainment. ... Money, reliance on source of income and addiction do not appear to be motivators for this group. As such, problem gambling is not expected to be a problem with elderly women gamblers.”²⁹

A study of older Minnesotans had comparable results. Co-directed by researchers at The College of Saint Benedict/St. John’s University and St. Cloud University, the study found “no evidence that casino gambling activities threaten [older Minnesotans’] well being. For most respondents the social benefits were the most salient parts of this activity and they were well aware of the danger signs of problem behaviors. ... Public concerns and media images may be based on socially constructed assumptions and fears.”³⁰

Survey research supports the findings of these studies. According to NFO WorldGroup, casino customers are better educated with higher incomes than the average U.S. household. The median household income of U.S. casino customers is \$50,716, compared to \$42,228 for the overall U.S. population. And casino customers are more likely to have attended college and hold a white-collar job than the average American.³¹

Additionally, the survey research found that the casino customer base is a reflection of the overall U.S. population. NFO WorldGroup data determined that the median age of the U.S. casino customer is only slightly higher than that of all adult Americans (47 years versus 45 years). According to research conducted in 1999 for the National Gambling Impact Study Commission, a smaller proportion of senior citizens gamble than any other adult age group.³²

For those senior citizens who do choose to gamble, the data shows that the vast majority of them come to casinos for the social interaction. Fun and entertainment, not gambling, is their primary

motivation, according to a 2000 poll conducted by Peter D. Hart Research Associates and The Luntz Research Companies. Sixty-two percent see casinos as an “inexpensive day out” for someone on a fixed income.

Not only do seniors like to gamble for fun, but they also don’t want someone else telling them how to spend their time and disposable income. According to the Hart/Luntz poll, 90 percent of senior citizens believe gambling is a question of personal freedom, and they should be able to go into a casino, have their own budget, and spend their disposable income the way they want. More than 80 percent of seniors always or usually set a budget.³³

QUESTION

Are pathological gamblers the main source of revenue for casinos?

ANSWER

The percentage of industry revenue generated by individuals with a gambling disorder has been the subject of much speculation but not a significant amount of sound scholarly research. The small amount of objective research that has been done on this topic shows that the small percentage of the population that does not gamble responsibly—estimated at about 1 percent—is not the main source of revenue for gaming establishments.

In research conducted for the National Gambling Impact Study Commission, the National Opinion Research Center at the University of Chicago (NORC) estimated that between 5 percent and 15 percent of gross gaming revenue (including casino, lottery and pari-mutuel receipts) came from problem *and* pathological gamblers in the past year. These figures were based on a combination of data from NORC's 1998 telephone and patron surveys. According to the phone survey alone, those *not* categorized as pathological gamblers generated the vast majority of daily revenue for casinos—more than 96 percent. The survey attributed less than 4 percent of gross daily casino revenue to pathological gamblers.³⁴

Overall, casino patrons spend their money wisely. According to a 2002 poll conducted for the AGA by Peter D. Hart Research Associates and The Luntz Research Companies, 80 percent of customers always or usually set a budget before they gamble.³⁵

Casinos make money by entertaining people and making sure they have an enjoyable experience. They have no desire to take advantage of individuals with psychological disorders or problems.

QUESTION

Do bankruptcy rates increase when casinos are introduced into a community?

ANSWER

A series of independent government studies conducted during the late 1990s failed to establish a link between casinos and bankruptcy, and statistics support that finding.

At the request of the U.S. Congress, the Department of the Treasury conducted a study on this topic in 1999 and found “no connection between state bankruptcy rates and either the extent of or introduction of gambling.” Furthermore, the report stated: “This result is supported by a county-level analysis that shows no statistically significant casino effect (proximity to a casino) with regard to county bankruptcy rates.”³⁶

The study pointed to several key factors that are connected to rising bankruptcy filings in the United States, including amendments to past bankruptcy law, higher levels of debt relative to income, increasing availability of consumer credit through general purpose credit cards and the reduced social stigma of declaring bankruptcy, none of which is related to casino gaming. Some existing studies that found a correlation between bankruptcy rates and the presence of casinos failed to compare bankruptcy rates prior to the introduction of gambling or to investigate the impact of other socioeconomic factors.³⁷

The National Opinion Research Center at the University of Chicago (NORC), in research conducted for the National Gambling Impact Study Commission (NGISC), echoed the Treasury Department findings. The study reported that instances of bankruptcy were no greater in communities with casinos than in communities that do not have casinos.³⁸

In another federally funded study, the General Accounting Office (GAO), in a seven-month investigation of the social and economic impact of gaming in Atlantic City, N.J., found similar results. The report stated that it “could not find data to show a cause-effect relationship between gambling and bankruptcies.”³⁹

To study the impact of legalized gambling, Indiana created a state commission in 1998 similar to the federal commission—and reached similar conclusions on bankruptcy. After an examination of questionnaires completed by petitioners for bankruptcy in Evansville, Gary and Indianapolis, the commission found that “... there is not evidence from this survey that people filing bankruptcy were more likely to have problems with gambling.”⁴⁰

Academic studies have reached conclusions consistent with this government research. According to a 2002 University of Louisville study, “Access by individuals to pari-mutuel or casino gaming facilities was found to have no statistically significant impact on personal bankruptcy filings.”⁴¹ A 1999 Louisiana State University study reached a similar conclusion, stating: “When interviewed concerning the primary cause of the high number of bankruptcy filings in the state,

bankruptcy trustees and bankruptcy attorneys were unanimous in identifying the ease in qualifying for credit and the availability of locations of obtaining credit at all times of the day. The trustees did not list the presence of gaming opportunities as a cause of bankruptcy.”⁴²

Statistics confirm that there is no link between the rate of bankruptcy filings and the presence of casinos. According to data maintained by the Administrative Office of the U.S. Courts and population statistics from the most recent census (2001), Utah and Tennessee were ranked first and second respectively in 2002 in terms of the number of bankruptcy filings per household. Utah is one of only two states with absolutely no form of legalized gambling whatsoever, and Tennessee had no legalized gambling at that time (but has since added a state lottery).

Total annual bankruptcy filings nationwide grew by 84 percent between 1989 and 2000. During this time, a total of nine states decided to legalize commercial casino gaming. If critics’ assertions were correct, all of these states would have seen increases in bankruptcy filings that were disproportionately high following the introduction of casinos to these communities. Yet, in seven out of the nine states that legalized commercial gaming during the 1990s, the bankruptcy filing growth rate remained below the national average. Michigan and Missouri are the only exceptions, while Colorado, Illinois, Indiana, Iowa, Louisiana, Mississippi and South Dakota all had smaller growth in bankruptcy filings than the United States as a whole over the decade.⁴³

If one looks at the growth rate in bankruptcy filings in each of the 50 states during the 1990s, the lack of a causal relationship between casino gaming and bankruptcy becomes even more apparent. Consider the following facts:

- Colorado, where commercial casinos opened in 1991, is the only state in the country during the 1990s that actually recorded a negative growth rate in bankruptcy filings.
- Of the top 15 states with the highest rate of increase in bankruptcy filings, only one (New Jersey) is a commercial casino state.
- Seven of the 11 commercial casino states fell below the national average in terms of bankruptcy filing growth rates during the 1990s.⁴⁴

QUESTION

Does the introduction of legalized gaming increase the level of street crime in a community?

ANSWER

Communities with casinos are just as safe as communities without casinos. While anecdotal evidence and popular myth have perpetuated claims by gambling opponents that the introduction of casinos causes a rise in street crime, recent studies—both publicly and privately funded—as well as testimony from law enforcement agents working in casino jurisdictions, refute this claim.

In their reports to the National Gambling Impact Study Commission (NGISC), neither the National Research Council (NRC) of the National Academy of Sciences nor the University of Chicago's National Opinion Research Center (NORC) was able to confirm a relationship between crime and legalized gaming. The casino effect was “not statistically significant” for any of the crime outcome measures, according to the NORC report.⁴⁵

In 2000, the Public Sector Gaming Study Commission reached similar conclusions, finding “no link between gambling, particularly casino-style gambling, and crime.” In fact, the 2000 report recognized that casinos are more of a crime deterrent than an instigator. According to the report, “[T]he security on the premises of gambling facilities, the multiple layers of regulatory control, and the economic and social benefits that gambling seems to offer to communities are effective deterrents to criminal activity.”⁴⁶

A 1997 study by Peter Reuter of the University of Maryland provided additional evidence refuting a causal linkage between crime and gaming. In his Report for the Greater Baltimore Committee, Reuter concluded the following: “[I]n no case is there any evidence that casinos have had a major impact on the crime rates of towns or metropolitan areas in which they are located.”⁴⁷

Statements by law enforcement agents in gaming jurisdictions across the country also refute critics' claims that gaming causes crime. Twenty-four sheriffs and chiefs of police submitted their findings to the NGISC, stating there was no connection between gaming and crime in their jurisdictions.⁴⁸ Other law enforcement officials from gaming jurisdictions who testified before the commission agreed with those submissions, and some pointed to a decrease in street crime in their areas.⁴⁹

In fact, in Atlantic City, N.J., where gambling opponents continue to allege that casinos have caused an increase in crime, the crime rate has declined every year for the past five years, according to the FBI's Uniform Crime Report. Since 1988, there has been an increase only once, in 1995, and it was a slight increase. If that figure is adjusted to also reflect the 33 million visitors and the nonresident worker population, who also are at risk of being crime victims, the crime rate in Atlantic City is nearly 50 percent lower today than it was before casinos opened there in 1978.⁵⁰

When calculating crime rates, it's critical to account for the overall

population at risk—both residents and visitors—particularly in tourist destinations. Any community with more visitors, hotels or other commercial activity is likely to experience an increase in reported levels of crime due to an influx of people and activity. The actual crime rate (the number of crimes based on the population at risk), however, may actually have decreased. Other factors that need to be taken into account are increases in the law enforcement presence often made possible through casino tax revenue, which can improve the effectiveness of crime detection efforts, as well as relative trends in crime rates statewide or nationwide.⁵¹

QUESTION

Is the casino industry controlled by mobsters and organized crime?

ANSWER

The fact is that U.S. casinos are reputable businesses predominantly owned and operated by public companies, and all of them, public and private, are heavily scrutinized by state and federal regulators. Movies such as “Bugsy” and “Casino” may portray the industry otherwise, but they are simply fictional accounts.

The National Gambling Impact Study Commission (NGISC) put to rest decades-old assumptions about organized crime and its involvement in the gaming industry. As it stated in its 1999 report: “All of the evidence presented to the commission indicates that effective state regulation, coupled with the corporate takeover of much of the industry, has eliminated organized crime from the ownership and operation of casinos.”⁵²

As state-regulated businesses, casinos are subject to some of the most comprehensive regulations of any industry in the country. The activities of gaming companies are tightly monitored by state gaming regulators, who license and oversee their operations, conducting hearings, background checks on all personnel employed by the facility, among other research methods that aim to detect ties to organized crime and any other illegal activity. These various government measures make it almost impossible for organized crime or other illegal cartels to infiltrate the heavily scrutinized commercial casino industry.

Funded by tax dollars from gaming, a large work force of regulators in each state monitors industry activities. Nevada alone employs 432 regulators at a cost of nearly \$30.8 million, while New Jersey employs 714 regulators at a cost of \$62.7 million. The annual budgets for gaming industry regulation in Louisiana and Missouri both top \$20 million. The total cost of regulation in fiscal year 2002 in the 11 commercial states was more than \$202 million, with 2,455 regulators and support staff helping to ensure that only legitimate interests are involved in this business.

Since most U.S. casino operators are publicly held corporations, they also are subject to scrutiny by the Securities and Exchange Commission (SEC). Like other businesses, casino companies must comply with strict federal standards to prevent money laundering and other illegal activity.

In addition to these safeguards, a series of federal laws have been put in place since the 1950s to keep organized crime out of gaming. From the Gaming Devices Act of 1951, the Special Rackets Squad of the FBI and the 1961 Wire Communications Act, which set the benchmark for scrutiny of the gaming industry, to the recent creation of the Treasury Department’s Financial Crimes Enforcement Network (FinCEN) to prevent money laundering activities, gaming is one of the most highly regulated business sectors in the United States.

QUESTION

Do other businesses suffer when casinos are introduced into a community?

ANSWER

To the contrary, the introduction of a casino expands the overall economy of its host community, in many cases benefiting existing businesses. Gaming, like any industry, can have its own niche in the competitive market without jeopardizing its neighbors' potential for growth and survival.

This view is supported by the findings of numerous studies. An economic analysis prepared for the National Gambling Impact Study Commission (NGISC) by Penn State University economist Adam Rose found little evidence of economic substitution after the introduction of new casinos. As his meta-analysis reveals: "The preponderance of empirical studies indicate claims of the complete 'cannibalization' of pre-existing local restaurants and entertainment facilities by a mere shift in resident spending is grossly exaggerated."⁵³

Additional research shows casinos actually stimulate local economies, resulting in communitywide growth in population, jobs, incomes and industry. After studying numerous U.S. casino jurisdictions, researchers at the University of New Orleans concluded the following in their 1997 report, *The Effects of Casinos on Local Restaurant Businesses*: "When casinos are developed, all aspects of the local food and beverage business increase: the number of establishments increases, the number of people employed increases and payroll increases at an even greater rate than the first two."⁵⁴

Similar conclusions were reached in other studies:

- Even after accounting for the so-called "substitution effect," economists at the University of Missouri and Washington University concluded that casino gambling in Missouri had a net positive annual impact on Missouri output of \$759 million, corresponding to a continuing higher level of employment of 17,932 jobs generating \$508 million more in personal income.⁵⁵
- A multijurisdictional analysis of retail spending found that in Biloxi/Gulfport, Miss., annual retail sales growth rates increased an average of 3 percent per year from 1990 to 1992, the year when casinos were introduced. Between 1993 and 1995, retail sales jumped 13 percent. In Will County, Ill., retail sales growth trailed statewide trends until 1992, when riverboat casinos were introduced in the local economy. But each year between 1992 and 1995, retail sales growth in Will County exceeded the state rate. In Shreveport/Bossier City, La., retail sales increased by more than 10 percent during 1994, the year that riverboat casinos opened, as the region enjoyed the highest retail sales increase in more than a decade.⁵⁶
- Representatives of the food industry on Mississippi's Gulf Coast indicate that casinos have brought in more business. With increased tourism numbers and growth in residents, new franchise restaurants have been opening and local favorites are still bustling. According to Bob Taylor, president of the Coast Chapter of the Mississippi

Restaurant Association, “I think the chain restaurant industry on the Coast is going to continue to expand. Whether we have more casinos or not, we’re going to continue to have growth” in noncasino restaurants.⁵⁷

The view that gaming permanently substitutes for other expenditures distorts historical experience. In free market economies, providing new outlets for consumer spending brings in new income. It doesn’t make any difference what the “product” is or whether there’s even a tangible “product” at all. Satisfying consumer demand generates new spending, creates new jobs and increases overall incomes.

Endnotes

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³⁸ National Opinion Research Center, 70.

³⁹ General Accounting Office, 2-3.

⁴⁰ Indiana Gambling Impact Study Commission, *Key Findings and Policy Choices to Address the Social, Fiscal, and Economic Impacts of Legalized Gambling in Indiana* (Indianapolis: State of Indiana, December 1999), 7-8.

⁴¹ Richard Thalheimer and Mukhtar M. Ali, "Personal Bankruptcy and its Relationship to Pari-mutuel Wagering and Casino Gaming," *Contemporary Economic Policy* (forthcoming 2004).

⁴² Center for Business Research at Louisiana State University, *The Impact of Gambling on Personal Bankruptcy*, March 1999, ii.

⁴³ The Federal Judiciary U.S. Bankruptcy Courts, "1987-2003 Fiscal Year Bankruptcy Filings by Chapter and District," Feb. 3, 2004, <http://www.uscourts.gov/bnkrpctystats/FY1987-2003.pdf>.

⁴⁴ Ibid.

⁴⁵ National Opinion Research Center, 70.

⁴⁶ Public Sector Gaming Study Commission, 37.

⁴⁷ Reuter, iv.

⁴⁸ Crime and Gaming: A Statement of Findings, submission to the National Gambling Impact Study Commission, Sept. 11, 1998.

⁴⁹ See National Gambling Impact Study Commission testimony of Peter Verniero, New Jersey attorney general, Jan. 21, 1998; Mayor Donald Sandridge, Alton, Ill., May 20, 1998; Bob Waterbury, Mississippi Coast Crime Commission, Sept. 10, 1998; and Mayor Ann Hutchinson, Bettendorf, Iowa, May 20, 1998. See also New Jersey Casino Control Commission report to the National Gambling Impact Study Commission, 29.

⁵⁰ Anthony Marino, South Jersey Transportation Authority, Chart of Atlantic City Crime Index Data: 1977 to 2001.

⁵¹ Jay Albanese, "The Effect of Casino Gambling on Crime," *Federal Probation* (1985): 42-43. See also Daniel Curran and Frank Scarpitti, "Crime in Atlantic City: Do Casinos Make A Difference?" *Deviant Behavior* 12 (1991): 431-449.

⁵² National Gambling Impact Study Commission, 3-1, 3-2.

⁵³ Adam Rose and Associates, 19.

⁵⁴ George Fenich and Kathryn Hashimoto, "The Effects of Casinos on Local Restaurant Business," paper presented at the International Conference on Gambling and Risk-Taking, Montreal, 1997.

⁵⁵ Charles Leven et al., "Casino Gambling and State Economic Development," paper presented at the Regional Science Association, 37th European Congress, Rome, Aug. 26-29, 1997.

⁵⁶ Arthur Andersen, *Economic Impacts of Casino Gaming in the United States, Volume 2: Micro Study* (Washington, D.C.: American Gaming Association, May 1997).

⁵⁷ Joey Bunch, "Eateries doing well with help of casinos," *The Biloxi (Miss.) Sun Herald*, May 25, 2001.

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