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CITY CLERK

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Subject: Letter from a citizen of Terre Haute and Vigo County
Attachments: why-casinos-matter.pdf

To our elected leadership of Terre Haute and Vigo County,

Thank you for your service and to your commitment to serving the community and to supporting our local economy and improving the lives of residents.

Whether or not you have already taken a public position on the issue of a casino in Terre Haute, as it is your duty to follow due diligence in serving the community as you make the important decisions that follow, I trust you will read and review the following with an open mind and in good faith.

While I appreciate the respect for "majority rules" that some of you have expressed when asked by members of the public about the casino decision, I also know that as part of your role and your fiscal responsibility to the community, you have to make a decision based on what you think bests supports the community's interests, even if sometimes that means you aren't following the majority (or what appears to be the majority). In relation to making a decision about a casino, using public opinion as a key indicator is particularly challenging because there is so much misleading information available, especially due to the influence of the gaming industry on studies and polls - the gaming industry that would profit financially from this. *In the U.S., the leading funder of gambling research is the gambling industry itself.* One example is the recent phone poll done by *a marketing firm hired by the casino developer* Full House Resorts, who used questions phrased to get the results they were looking for. This data should not be used in making such an important decision for our community.

Thankfully there is independent research available, regardless of what Tribune Star reporters might have you think about the availability of such research. As one example, the Council of American Casinos, and independent, non-partisan research group of 33 scholars and leaders from around the country created the attached report *Why Casinos Matter: Thirty-One Evidence-Based Propositions from the Heath and Social Sciences.* In creating this report, they examined *evidence* from independent (not gambling industry funded) research from around the country of the impact of casinos on communities.

The conclusion of this report should be enough to make all of you, as leaders of this community, step back and look deeper into the impact a casino would have here. Their conclusion: "Evidence from the health and social sciences suggests that the new American casinos are associated with a range of negative health, economic, political, intellectual, and social outcomes. For this reason, we view state sponsorship of casino gambling as a regressive and damaging policy."
I trust that out of the responsibility of your elected position, you will review the attached report for a more detailed analysis of their 31 sub-points, so I will not enumerate them here.

One more note I'd like to add on research and statistics - I have heard Sen. Ford and Tribune Star reporter repeat a statistic about the low percentage of people who are problem gamblers, as evidence that we shouldn't be concerned about this impact in our community. You will find in the attached report that this statistic has been challenged as misleading by many scholars. Yet it hardly even matters, because the percentage of problem gamblers is not the key point. What is the point is that *casinos depend on problem gamblers for their revenue base and increase problem gambling.* You will find in the attached report a long list of studies that back up this point, with results such as:
- 35-50 percent of casino revenues derive from problem and pathological gamblers.
- People who live within 10 miles of a casino have twice the rate of pathological and problem gambling as those who do not.
The question you should be asking yourself as community leaders is not how many people are problem gamblers but do we want to invite an industry into our community that profits off of gambling addiction and increasing gambling addiction? Are the economic and social benefits we would get in trade-off *real* and *worth it*? The writers of this analysis conclude these benefits are illusory or short-lived at best.

Thank you for your attention to this important matter.
Jeanne Rewa
Terre Haute, IN
202-538-2854

A Report from the Council on Casinos

Why Casinos Matter

Thirty-One Evidence-Based Propositions from the Health and Social Sciences

Institute for American Values

About this Report

THIS REPORT COMES FROM THE COUNCIL ON CASINOS, an independent, nonpartisan group of scholars and leaders who come together to examine the role of casinos in American life and to foster informed citizen debate on gambling as a public policy.

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Why Casinos Matter

Thirty-One Evidence-Based Propositions from the Health and Social Sciences

Introduction

From time to time in American history, a new institution takes root across the country, and in doing so, changes the nation—changes the physical landscape of communities, impacts the patterns and habits of daily life, affects citizens' and communities' economic outcomes, and in some cases even alters relationships between the governing and the governed, the more privileged and the less privileged.

Consider the sudden emergence and rapid expansion of fast food chains in the mid-20th century. At one point, a fast food establishment coming to your town was a rare event. Only a few years later, it was commonplace. A major new institution had taken root across the nation, and the way we eat—and the size of our waistlines—changed as a result.

Or take the more recent rise of payday lenders. Several decades ago, these businesses were illegal loan-sharking operations. Today, in suburban strip malls and shopping centers, thousands of legal payday lenders offer high-interest loans to people in need of fast cash. Quite suddenly, these lending establishments have become part of the financial landscape.

Something of this magnitude—an institutional eruption of similar size and consequence—is now occurring in the United States. It is the spread of casinos. For most of our history, casinos were illegal. From 1930 through the late 1980s, they were legal only in the desert cities of Nevada and (since 1977) the beach town of Atlantic City.

But starting in about 1990, something new and important began to happen. Casinos began to enter the mainstream of American society. No longer viewed by government as a dangerous vice, and no longer cordoned off and geographically removed from the everyday ebb and flow

of American life, casinos are now popping up across the nation, near a shopping mall or a river dock near you, with the full support and sponsorship of the very state governments that only yesterday had outlawed them.

Nearly a decade and a half ago, in the early stages of the casino ascendancy, the federally funded National Gambling Impact Study Commission concluded its multi-year investigation of gambling in America with a call for a moratorium on further expansion. That recommendation went unheeded. Instead, states rushed headlong into legalizing new casinos within their borders.

Moreover, during this period of expansion, casino gambling itself has changed dramatically. A national market headquartered in Nevada and Atlantic City has been joined by dozens of new regional markets across the country. Table games catering to high rollers have largely given way to slot machines catering to middle and low rollers. Casino gambling as a once or twice a year vacation has largely given way to casino gambling as a once or twice a month or once or twice or more a week pattern of life.

Whether or not you personally gamble in them, the new casinos matter. They are influencing the nation as a whole. They are affecting our health, our economics, our politics, our ideas and social values, and perhaps even our sense of who we are as a people and what obligations we have toward one another. They appear to be connected in important ways to the rise of American inequality. And because these changes are of recent origin and are still unfolding, they tend to be only partially and often poorly understood by the general public, journalists in the print and broadcast media, policy makers, and civic and business leaders—especially those who have never themselves visited one of the new casinos.

We offer thirty-one propositions, based on the best available evidence from the health and social sciences, to describe how casino gambling is changing and how this new social and institutional form is changing American life.

A Note on Sources: In Great Britain and in provinces of Canada and Australia, governmental leaders have commissioned comprehensive,

well-funded research and policy studies of casino gambling. This has not happened in the United States. In the U.S., the leading funder of gambling research is the gambling industry itself.

For the evidentiary basis of this report, we have relied primarily on independent research, by which we mean research that was not funded or controlled by the gambling industry. For the future, we recommend that U.S. federal and state governments help to establish a nonpartisan research agenda supported by independent funding aimed at the further study of state-sponsored and Internet gambling.

The Thirty-One Propositions: A Snapshot

The Rise of the New American Casino

1. Casino gambling has moved from the margins to the mainstream of American life.

2. Today's regional casinos are different from Vegas-style resort casinos.

The Casino's Modern Slot Machines

3. The new American casino is primarily a facility filled with modern slot machines.

4. A modern slot machine is a sophisticated computer, engineered to create fast, continuous, and repeat betting.

5. Modern slot machines are carefully designed to ensure that the longer you play, the more you lose.

6. Modern slot machines are highly addictive.

7. Modern slot machines are engineered to make players lose track of time and money.

The Casino's Health Impact

8. Casinos depend on problem gamblers for their revenue base.

9. Living close to a casino increases the chance of becoming a problem gambler.

10. Problem gambling is more widespread than many casino industry leaders claim.

11. Problem gambling affects families and communities as well as individuals.

12. Young people are viewed as the future of casino gambling.

13. Working in a casino appears to increase workers' chances of having gambling problems.

14. Working in a casino appears to increase workers' chances of having health problems.

The Casino's Economic Impact

15. The benefits of casinos are short-term and easy to measure while many of their costs are longer-term and harder to measure.

16. Casinos extract wealth from communities.

17. Casinos typically weaken nearby businesses.

18. Casinos typically hurt property values in host communities.

The Casino's Political Impact

19. Casinos are the creation of state government and its public policies.

20. State regulation of casinos creates a conflict of interest, in which the state is charged with protecting the public from the very business practices that generate revenue for the state and which the state is co-sponsoring.

21. States are typically failing to protect their citizens from the harms of state-sponsored casino gambling.

22. States are typically failing to provide adequate help for the treatment of problem and compulsive gambling.

23. Some states are propping up failing casinos.

24. Over time, casino expansion within a state and in nearby states can create a downward economic spiral of market saturation, sluggish state revenues, and failing casinos, marked by an ever-growing competition in which each state tries to lure other states' citizens into its casinos.

25. Regional casinos are a regressive source of revenue for the states.

The Casino's Intellectual Impact

26. Research on gambling in America is largely funded by the gambling industry.

27. Research on gambling funded by the gambling industry focuses overwhelmingly on the individual pathology and pharmacology of gambling addiction while avoiding research into machine design, player profiling, and other industry practices and technological innovations that foster gambling addiction.

The Casino's Social Meaning

28. State sponsorship of casinos is a policy contributing to patterns of inequality in America.

29. State sponsorship of casinos raises troubling ethical questions about fairness and equal treatment of citizens.

The Casino's Historical Meaning

30. Encouraging people to put their money into slot machines has historically been viewed as unethical.

31. Encouraging legal gambling as "fun" entertainment and an all-American pastime is a historically new development.

The Rise of the New American Casino

1. Casino gambling has moved from the margins to the mainstream of American life.

Within the lifetime of most Americans, legal casino gambling existed in only two locations in the U.S: Nevada and Atlantic City, N.J. Beginning in the 1990s, casinos spread across the nation at an accelerating pace. Today, 23 states have commercial casinos, a category which includes land-based, riverboat, dockside, and racetrack casinos. In the Northeast and mid-Atlantic states, nearly every adult now lives within a short drive of a casino.

2. Today's regional casinos are different from Vegas-style resort casinos.

America's new regional casinos may be called "resorts" by the gambling industry and "destination resorts" by the political leaders who sponsor them, but they are actually quite different from the resort casinos historically located in Las Vegas, Macau, and other higher-end vacation locales.

Classic destination resort casinos attract customers from across the nation and the globe. Their patrons usually travel long distances to get to the casino, arrive in rental cars, stay in hotels, and spend money on high-end restaurants, elegant shops, and concerts featuring world-class entertainers as well as on gambling.

By contrast, regional casinos attract the great majority of their customers from nearby communities, sometimes including nearby communities across the borders of neighboring states. Their patrons typically travel distances of 70 miles or less, arrive in their own cars or on buses, spend nearly all their time and money gambling at the casino, and return home to sleep in their own beds.

A destination resort casino is a place you might visit once a year. A regional casino is a place you might visit several times a month or several times a week.

The traditional Vegas-style resort casinos catered mainly to high rollers and "whales" partial to table games. Today's regional casinos cater overwhelmingly to middle rollers and low rollers who play slot machines.

In short, unlike the old Vegas-style resorts, the new regional casinos depend decisively on attracting gamblers who live in the region, who return frequently, and who play modern slot machines.

The Casino's Modern Slot Machines

3. The new American casino is primarily a facility filled with modern slot machines.

Slot machines have transformed American gambling. In 1978, outside of Nevada, there were virtually no legal slot machines in the United States. In 1991, there were about 184,000. By 2010, there were about 947,000, a more than five-fold increase in less than two decades.

Slot machines and other computerized gambling machines now occupy nearly all of the space on the casino floor. Even traditional table games are likely to be run by a computer.

Slots are highly profitable. In 2013, the percentage of casinos' total gambling revenue deriving from slot machines is estimated at 62 to 80 percent, with racinos (racetrack casinos) getting 90 percent of their take from slots. As Frank Farenkopf, the recently retired CEO of the American Gaming Association puts it: "It's the slot machine that drives the industry today."

4. A modern slot machine is a sophisticated computer, engineered to create fast, continuous, and repeat betting.

Many people still think of slot machines as mechanical "one-armed bandits." Players used to sit at these machines with a bucketful of coins; put a coin in a slot; pull a mechanical lever to activate a spin of a single reel; and wait for images of cherries or "7's" to appear on a console screen. And then, they repeated the same motions again and again, waiting for a flood of nickels or quarters to pour out of the machine for a win.

Modern slot machines are entirely different. They are programmed for fast, continuous, and repeat betting. Players insert plastic, not coins; they tap buttons or touch a screen rather than pull levers; they place bets in denominations ranging from a penny to a hundred dollars on multiple lines that spin across a screen with each rapid tap of the button. An electronic counter on the console tallies credits for wins and

losses. All of this happens at a blindingly fast speed. Even penny bets on multiple lines with each spin can result in large losses.

Modern slots are hooked up to a central server that collects player information, preferences, and speed of play and has the capacity to program each machine to each player's style. In short, the laws of pure chance or probability no longer dictate wins and losses. The modern slot experience is deliberately engineered to take in much more than it pays out.

5. Modern slot machines are carefully designed to ensure that the longer you play, the more you lose.

Slot machines are designed to get players to gamble longer and lose more over time, or, in the lingo of the trade, to boost REVPAC—revenue per available customer. According to MIT anthropologist Natasha Schull, who has done an exhaustive study of slot machine design, the trend in slot design is to provide a slow and smooth "ride," with small wins that are less than the amount bet, but nonetheless encourage repeat bets and prolonged "time on machine." This experience is especially appealing to low rollers. It gives them small rewards along the way and a sense of winning but ensures that they gradually lose more than they ever win.

6. Modern slot machines are highly addictive.

Studies consistently find that people who play slots as their primary form of gambling are more likely to become problem gamblers. According to one well-designed study, they are also likely to experience more rapid onset of gambling addiction than people who engage in more traditional forms of gambling. Moreover, this study, which controlled for subjects' personality traits, emotional problems, or substance abuse, concluded that the machines themselves were responsible for the gamblers' addiction, not the gamblers' personal traits or pre-existing conditions. In Australia, where machine gambling is endemic, a recent study by the government found that 16 percent of people who play weekly on the machines are problem gamblers while an additional 15

percent are at moderate risk for a gambling problem. These findings may understate the full extent of harms from gambling machines. Nearly half of individuals sitting in front of gambling devices at any one time exhibit "problematic" gambling behaviors.

7. Modern slot machines are engineered to make players lose track of time and money.

Modern slot machines are highly addictive because they get into people's heads as well as their wallets. They engineer the psychological experience of being in the "zone"—a trance-like state that numbs feeling and blots out time/space. For some heavy slot players, the goal is not winning money. It's staying in the zone. To maintain this intensely desirable state, players prolong their time on the machine until they run out of money—a phenomenon that people in the industry call "playing to extinction."

8. Casinos depend on problem gamblers for their revenue base.

Problem gamblers account for 40 to 60 percent of slot machine revenues, according to studies conducted over the past decade or so. This evidence contradicts claims by gambling lobbyists that their industry wants to attract only those customers who play casually "for fun." Indeed, if casinos had to rely on such casual customers, they would not long survive. A Canadian study found that casual players comprised 75 percent of players but contributed only 4 percent of net gambling revenue. The casinos' real money comes from problem gamblers. (For a full presentation of evidence, see the appendix, "How Much Gambling Revenue Comes from Problem Gamblers?")

9. Living close to a casino increases the chance of becoming a problem gambler.

Numerous studies show that living close to a casino is a key factor in more frequent gambling. More frequent gambling increases the risk of serious problem gambling. A large-scale study in 2004 found that people who live within 10 miles of a casino have twice the rate of pathological and problem gambling as those who do not. Another study found that the four counties in Nevada with the greatest access to casinos had the highest problem gambling rates while the four counties with the least access had the lowest rate.

Similarly, a British study of casino gamblers found a strong association between frequency of play and problem gambling. Frequent players were twice as likely to be diagnosed as problem or severe problem gamblers compared to those who played infrequently (14.8 percent of frequent players compared to 6.8 percent of infrequent players).

10. Problem gambling is more widespread than many casino industry leaders claim.

Problem gambling is a technical term used for moderate and severe gambling behavior. It is based on criteria first developed by the American Psychiatric Association in 1980 when the organization included severe or pathological gambling in its *Diagnostic and Statistical Manual of Mental Disorders.*

However, the nature and extent of problem gambling is far from a settled question. Estimates of problem gambling vary greatly depending on the criteria used, the measuring instruments employed, and populations studied. Moreover, researchers disagree over where to draw the line between moderate and severe gambling problems and which of the twenty different screening questionnaires offer the most reliable measure of a gambling disorder.

What can be said with confidence is that the prevalence of problem gambling has increased significantly in the period of rapid casino expansion since 1993. In some states, the rate of problem gambling rises three to four-fold after the initial adoption of a casino before leveling off at this higher level or declining modestly.

Yet the gambling industry minimizes the harm. It claims that problem gambling affects an insignificant *one percent* of the population and that this proportion remains the same even as more Americans have easy access to nearby gambling venues.

Many scholars have criticized the one percent figure as misleading. It is based on a survey of the general adult population—a significant proportion of whom do not gamble at all. Moreover, it counts only the most severe form of problem gambling—typically people who exhibit three or more clinical symptoms used in the scoring diagnosis of mental health disorders. It excludes gamblers who have less severe gambling problems and people whose lives and livelihoods may be adversely affected by their gambling but who do not meet any of the criteria of a mental health diagnosis.

A better measure is the percentage of problem gamblers among only those who actually gamble. Still better is the percentage of problem gamblers among people who gamble frequently. Estimates of the percentage of frequent gamblers who are also problem gamblers range from fifteen to twenty percent. Among frequent gamblers who bet exclusively on slots, video lottery terminals, and other continuous electronic gambling machines, rates of problem gambling can be even higher. Lastly, one might want to look at specific vulnerable subpopulations, such as Asian-Americans and the elderly, who are catered to by the gambling industry and are at high risk for gambling problems.

11. Problem gambling affects families and communities as well as individuals.

Clinical and other observational studies confirm what common sense tells us: problem gamblers hurt their families as well as themselves. The compulsion to gamble leads to financial hardships: burdensome debt, loan defaults, and fraud; excessive payday borrowing; bankruptcy; loss of a business or home; and sometimes total destitution. Gambling destroys bonds of trust. Problem gamblers hide and lie about their gambling debts. They borrow or steal from family members, including children. They spend their time at the casino rather than at home.

Spouses are harassed by bill collectors and suffer a wide range of stress-related physical and mental problems; they attempt suicide at three times the rate of the general population. Women in such situations are at higher risk for domestic violence. A study of members of Gamblers Anonymous found that upwards of 26 percent have gambling-related divorces or separations.

The harms to children are persistent and wide-ranging. They include financial insecurity, parental neglect, and pervasive feelings of abandonment. Some children have spent hours alone in parked cars or unattended at home while their parents gamble in the casino. Others have lost money, homes, holidays, and the chance to go to college, due to parents' gambling problems.

It is especially worrisome that more women, typically the primary caregivers, are joining the ranks of slots gamblers.

12. Young people are viewed as the future of casino gambling.

A recent American Gaming Association survey of casino visitors ages 21-35 found that young people had the highest rate of casino visitation and the greatest level of acceptance of casino gambling among all casino visitors. Nearly 4 out of 10 (39 percent) had gone to a casino in the past year, and 9 out of 10 agreed that casino gambling was acceptable for themselves and others. Machine gambling was ranked as the most popular game among young adults. Frank Fahrenkopf of the American Gaming Association highlighted this news in a 2013 industry report, stating that young people are "the very people with whom the future of our business lies."

That future is not far off. More than any earlier generation, today's young people are technologically primed for gambling. From an early age, kids learn to play games by tapping buttons and tracking images on screens. They spend money with a swipe of a debit card. They play video games. They live on social media. For these reasons, young people are a soft target for Internet gambling—the next frontier for legalized gambling.

The first national U.S. survey of gambling among adolescents and young adults found that gambling among youth is widespread. It estimates that three-quarters of a million young people ages 14-21 are already problem gamblers.

13. Working in a casino appears to increase workers' chances of having gambling problems.

Casino workers are at increased risk for gambling problems compared to service workers in non-gambling businesses. One study of casino workers in Mississippi found that over half of the subjects reported present or past problems with gambling addiction.

In New Jersey, eight percent of calls to the gambling help hotline came from casino employees, according to testimony by Sheila Wexler, then Executive Director of the Council on Compulsive Gambling in the state. "The problem exists at all levels of employment" she said and includes behavior such as erratic work performance, borrowing money from co-workers or customers, absenteeism, tardiness, theft, embezzlement, and health problems.

14. Working in a casino appears to increase workers' chances of having health problems.

An American casino typically operates 24 hours a day, seven days a week, 365 days a year. Its work force consists largely of shift workers who serve food and drink, provide security, and clean the facility. Life as a shift worker in a casino poses a number of hazards to workers' health. To begin, there are physical and social disruptions. Shift work negatively affects sleeping and eating patterns, dating and family relationships, childcare, stress, and other health outcomes. Next there is the work environment itself. Like bartenders, casino workers are more likely to have problems with alcohol than other service workers. (Keep in mind that bars do not offer free alcohol, as many casinos do.) Smoking is permitted in many casinos, and workers are subject to the known health risks of breathing secondhand smoke—a hazard now rare everywhere except in casinos.

15. The benefits of casinos are short-term and easy to measure while many of their costs are longer-term and harder to measure.

Impact studies measure short-term economic benefits of a prospective casino but they typically fail to measure longer-term social costs. Social costs tend to emerge over time and therefore are harder to quantify. As a consequence, policy makers may overlook or underestimate the social costs of gambling.

For example: Evidence suggests that the opening of a new regional casino may offer an economic stimulus to distressed communities, but the stimulus fades over time, as the presence of a casino drives out established local businesses and attracts other gambling-linked businesses, such as payday lenders, pawn shops, auto title lenders, and check cashing stores.

Witness Atlantic City as a case in point. Casinos in Atlantic City began as an economic renewal project, but after nearly four decades, the city is still in need of economic renewal. Despite repeated bailouts by the state and a recent $30 million state-funded marketing campaign, Atlantic City remains an economically troubled place.

Atlantic City is not a unique case. A study that looked at the spread of casino gambling in 300 Metropolitan Statistical Areas found that the presence of a casino reduces voluntarism, civic participation, family stability, and other forms of social capital within 15 miles of a community where it is located.

Likewise, problem gambling is hard to spot in the short-term. It takes a long period of mounting financial and family troubles—estimated at four to seven years—before a gambler admits to a problem. It takes even longer for a problem gambler to feel desperate enough to seek help. And since most gamblers who seek help turn to Gamblers Anonymous, a fellowship organization that does not provide statistics on its members, it is nearly impossible to get a complete picture of the

total number of those who seek treatment. Finally, many problem gamblers show up in other statistics—bankruptcy, unemployment, divorce, embezzlement, overindebtedness—where the causal relationship between gambling problems and other problems is harder to establish.

That said, a 2004 study estimated the social costs of problem gambling associated with a new casino between $2,486 and $2,945 per problem gambler and $5,143 to $10,330 per additional pathological gambler (the most severe form of problem gambling). An earlier 1996 study of problem gambling among members of Gamblers Anonymous looked at employment-related social costs—working hours lost, unemployment compensation, and foregone income due to gambling—and found an annual cost of $2,836 per casino gambler, or $4,062 in 2013 dollars.

16. Casinos extract wealth from communities.

Regional casinos build their customer base by encouraging repeat visits from local residents with incentives like "free" play and player loyalty rewards. Repeat players spend dollars in a casino that would otherwise be spent somewhere else in the local economy. Investor profits are extracted from the local market area, contributing to the long-term flow out of the community. Thus, the fundamental economic dynamic of a regional casino is taking dollars out of the community, not bringing dollars into the community.

17. Casinos typically weaken nearby businesses.

Casinos attract customers with "perks" such as free transportation, parking, food, and alcohol, not to mention the come-on of hitting the jackpot and dreams come true. These realities make it harder for local businesses to compete with casinos. Some eventually go out of business.

Consider what has happened in Atlantic City: Before 1977 there were 242 eating and drinking establishments in Atlantic City. In 1981 (3 years after casinos began operating, the number had declined to 160, and by 1996 (19 years after casinos began operating) the number had declined

to 142. A 2007 Federal Reserve study found that even after 20 years of so-called economic development, there is still no large supermarket in the city.

Casinos enjoy another competitive advantage over local businesses. They are given a regional monopoly by the state and gain special legislative exemptions from regulations imposed on non-casino businesses. In the Commonwealth of Massachusetts, for example, the state legislature permits three newly authorized regional casinos to give free alcohol to customers but bans local bars from offering heavily discounted alcoholic beverages for "happy hour" promotions. Other states allow smoking in casinos but ban it in local restaurants and bars.

There appears to be at least one exception to the rule that casinos tend to weaken nearby businesses. Regional casinos do seem to promote the flourishing of nearby pawn shops, check-cashing operations, and high-interest lending establishments such as payday lenders. For example, a recent study of Mississippi Gulf Coast casinos reports: "All of the law enforcement officials also noted that the number of pawn shops and 'check-cashing' businesses on the Coast has exploded since the advent of gambling."

18. Casinos typically hurt property values in host communities.

A recently released study by the National Association of Realtors says the impact of a prospective casino on the local housing market is "unambiguously negative." The research conducted for realtors in western Massachusetts, where a new regional casino is slated for construction, found that homeowners in the host community would experience from $1,650 to $3,300 in lost value. The study's economists estimate that there will also be 125 additional home foreclosures each year, representing $5 million in lost home values.

The Casino's Political Impact

19. Casinos are the creation of state government and its public policies.

Casinos are often described as public-private partnerships between government and the gambling industry. (Kansas is an exception: its three casinos are owned solely by the state.)

However, the new casinos cannot be viewed as just another kind of public-private partnership. They are instituted by the states to create a source of revenue separate from direct taxation, the traditional way of financing government expenses for the common welfare. States typically legalize casino gambling by changing state constitutions. They create regional monopolies for the casinos. They regulate lightly and often in ways that discriminate against other legal businesses. They promote casino gambling through advertising and advocacy by public officials. They tell the public that casinos provide funds for necessary government services without raising taxes. They rescue casinos from bankruptcy. In short, without the legal, administrative, regulatory, and promotional advantages provided by state governments, casinos would not be spreading into mainstream American life as they are today and would likely still exist only on the fringes of the society.

20. State regulation of casinos creates a conflict of interest, in which the state is charged with protecting the public from the very business practices that generate revenue for the state and which the state is co-sponsoring.

State governments are caught in a classic conflict of interest between their desire for more revenues and their responsibility to prevent harms to the public from unfair or exploitative practices.

Many have resolved the conflict in favor of more revenues from casinos. This decision is a violation of the precautionary principle, which holds that government must engage in due diligence before introducing a policy that might harm its citizens, even when the evidence of harm is not

definitive. Yet in the case of casino gambling, there is clear evidence of harm, and that fact alone is sufficient reason to require a moratorium on state-sponsored gambling expansion. In fact, a moratorium was the main recommendation of the 1999 federally-funded report from the National Gambling Impact Study Commission. But since that time, states have raced ahead to locate commercial casinos in struggling communities and to extract revenues from citizens in those communities.

21. States are typically failing to protect their citizens from the harms of state-sponsored casino gambling.

Since the late 1990s, federal and state commissions have recommended policies to protect citizens from the harms of state-sponsored casino gambling. These "best practices" policies are designed to hold the producers of gambling—the states and their partners in the gambling industry—responsible for its serious harms. However, few if any states have actually adopted or implemented these "best practices." They include:

- Prohibiting gambling advertising, as is the case with cigarette advertising.
- Modifying the machine design to reduce speed and duration of play.
- Removing ATMs and credit facilities from the casinos.
- Requiring breaks/cooling-off periods in machine play.
- Prohibiting free alcohol on the casino floor.
- Displaying onscreen clocks on the machines.
- Prohibiting casino lending on credit.
- Establishing an independently funded National Institute on Problem Gambling to conduct research and public education.

22. States are typically failing to provide adequate help for the treatment of problem and compulsive gambling.

Most state assistance is seriously underfunded (generally one-half to one percent of casino revenues) and mainly limited to directing people to self-help information: 1-800 numbers; contact information for Gamblers Anonymous; and website addresses for state councils on problem gambling. Except for Gam-Anon, a support group for families of compulsive gamblers, there are very few resources available for children, spouses, and other affected family members. State councils receive a significant share of their funding from state gambling revenues and therefore are constrained from serving as independent advocates for more aggressive efforts to fund and treat gambling addiction, or to prevent the further spread of casinos in the first place.

23. Some states are propping up failing casinos.

Like big banks, state-sponsored casinos are not allowed to fail. When casinos come up short, states usually provide new infusions of money, reduced taxes, reduced funding for gambling addiction measures, or other concessions such as lifting smoking bans, in order to sustain revenues and profitability. Rhode Island, Delaware, and New Jersey have all taken special steps to help casinos that might otherwise fail.

24. Over time, casino expansion within a state and in nearby states can create a downward economic spiral of market saturation, sluggish state revenues, and failing casinos, marked by an ever-growing competition in which each state tries to lure other states' citizens into its casinos.

New England and the mid-Atlantic states are already crowded with casinos. Nonetheless, they continue to wage casino border wars. Massachusetts has approved three new casinos and a slot parlor to compete against Connecticut's two Indian casinos. Rhode Island is adding table games to draw customers to Twin Rivers, a slot parlor just across the border from Massachusetts. New Hampshire's governor recently lost

her fight to build a casino just over the Massachusetts border, but she is expected to try again.

Meanwhile, New York, which straddles both New England and the mid-Atlantic states, is seeking to capture business across borders by legalizing new regional casinos in upstate New York. If approved, the new casinos will be added to the eight Indian casinos and nine racetrack casinos already established in the state.

It's a similar story in the mid-Atlantic states. Pennsylvania has twelve casinos; Maryland has four; New Jersey's Atlantic City has twelve; and tiny Delaware, struggling to compete with its three casinos, has just approved Internet gambling. The competition is likely to get even more brutal in the coming years. A new Baltimore-based casino is planned for 2014 and there are tentative plans for casinos in Philadelphia and Maryland's National Harbor area in 2016.

Casinos may begin by making lots of money for the state government, but the economic dynamics over time tend to become increasingly negative and zero-sum, as politicians try to solve the problem of sagging gambling revenues by sponsoring more gambling, and as every state tries harder and harder to poach gamblers from other states.

25. Regional casinos are a regressive source of revenue for the states.

Casino gambling was once a largely upper-class activity. As a classic 1977 study argued, revenues from casino gambling came disproportionately from well-off Americans who could travel long distances to a resort casino and gamble money they could afford to lose. At the same time, however, the study's author speculated that casino gambling would become more regressive as it became more widespread. That's exactly what has happened.

With the spread of regional casinos into economically struggling communities, more working and middle class people are drawn to casino gambling. In the past, such residents may have gambled on the lottery,

but few have had the time or money to travel to a far-away resort casino. With the arrival of a nearby casino, however, residents gain easy access to a gambling venue. Easy access increases local participation and drains dollars from local residents into the state's coffers.

As a consequence, women, low-wage workers, and retirees are contributing a disproportionate share of states' take of casino revenues. As states become ever more dependent on casino revenues as a substitute for more progressive sources of revenue, they are trapped into a regressive policy of taking from the less affluent and rewarding the more affluent.

The Casino's Intellectual Impact

26. Research on gambling in America is largely funded by the gambling industry.

The American Gaming Association (AGA), the lobby for the gambling industry, created the National Center for Responsible Gaming (NCRG) in 1996 to provide industry-funded research on gambling addiction and to influence the findings of the federally funded National Gambling Impact Study Commission that was soon to begin its multiyear investigation.

Founding AGA president Frank Fahrenkopf made the strategic decision to establish the industry's own research arm after playing golf with a close friend who had run the Tobacco Institute. As he tells it, "I had seen the problems his industry had run into by denying the harmful effects of smoking. We knew that problem gambling was something we had to handle, and it was the subject matter of our first board meeting."

NCRG is now the largest and only private source of funding for science-based research on gambling and health in the U.S. over the past century. It is funding $950,000 in research grants in 2013, including multi-year funding for Centers of Excellence in Gambling Research at Yale, the University of Minnesota, and the University of Chicago. The industry funding devoted to research is, of course, a miniscule amount compared to the profits the industry rakes in.

27. Research on gambling funded by the gambling industry focuses overwhelmingly on the individual pathology and pharmacology of gambling addiction while avoiding research into machine design, player profiling, and other industry practices and technological innovations that foster gambling addiction.

The National Center for Responsible Gaming, the gambling industry's research arm, states that it funds peer-reviewed, independent research on gambling addiction. However, its research funding and agenda is

largely devoted to scientific investigations into the biology of pathological gambling, including its diagnosis and treatment. Of the 200 peer-reviewed studies it has funded, not a single one investigates the interplay between gamblers and the gambling machines; the addictive nature of modern gambling machines; or the industry's own research into designing more addictive machines.

The Casino's Social Meaning

28. State sponsorship of casinos is a policy contributing to patterns of inequality in America.

As gambling has spread into economically distressed communities, it has drawn more Americans in the lower ranks of the income distribution into its venues. Low-income workers, retirees, minorities, and the disabled include disproportionately large shares of regional casino patrons.

In this way, state-sponsored casino gambling creates a stratified pattern that parallels the separate and unequal life patterns in education, marriage, work, and play that increasingly divide America into haves and have-nots. Those in the upper ranks of the income distribution rarely, if ever, make it a weekly habit to gamble at the local casino. Those in the lower ranks of the income distribution often do. Those in the upper ranks rarely, if ever, contribute a large share of their income to the state's take of casino revenues. Those in the lower ranks do.

29. State sponsorship of casinos raises troubling ethical questions about fairness and equal treatment of citizens.

State sponsorship of casinos is one of the most successful bipartisan public policies in today's politically polarized culture. Both Republicans and Democrats, red states and blue states, Mississippi and Massachusetts, have pursued and promoted casino gambling as a revenue-producing policy. Few have paused to ask questions about the ethics of such a policy:

- Does state-sponsored gambling serve the greater public good?
- Does it help to reduce social and economic inequality?
- Does it produce things of lasting value that we can all be proud of?
- Does it support the idea, considered by many thinkers to be essential

in a democracy, that what happens to us depends more on what we do than on whether we are lucky?

- Does it build our human, social, or moral capital?

- Does it hurt people? Is it fair?

These are not simply narrow questions about the morality of gambling, as some say dismissively. These are broad and important questions about a major new American institution. We must consider these questions seriously, because how we answer them will help determine the degree to which we can build a just society and establish a trustworthy relationship between the government and the governed.

30. Encouraging people to put their money into slot machines has historically been viewed as unethical.

The fundamental dishonesty inherent in slot machines is that, notwithstanding the casinos' messages to the contrary, the machines are programmed to guarantee that the casino wins. While some individual spins do pay off, no steady player has ever, or will ever, win money by playing slot machines. The steady player's loss is a mathematical certainty. That's why former New York City mayor Fiorello La Guardia called the machines "mechanical pickpockets" and distributed brochures across the city entitled "You Can't Win at the Slot Machine Racket." Because you can't.

Some people believe that operating slot machines has historically been viewed as dishonest because it was illegal. That is partly true. But the larger truth is that operating slot machines has historically been treated as illegal because it is dishonest. Enticing people who may be vulnerable or unwary to lose their money by betting against a machine that has been programmed in advance to take their money has not, in the American experience, been generally viewed as an honest thing to do—an ethical problem that becomes even more serious when the government is actively involved in the enticing.

31. Encouraging legal gambling as "fun" entertainment and an all-American pastime is a historically new development.

The promotion of gambling as a "fun" entertainment choice has emerged as the result of two converging forces: the states' partnership with gambling interests to raise revenues that are not considered new taxes; and the redefinition of excessive gambling as a mental disorder affecting only a small percentage of the potential gambling population.

Throughout our history, gambling itself was regarded as a problem for the entire society. It led to crime and corruption. It harmed families, finances, and reputations. It undermined middle class values of work,

thrift, and deferred gratification. That's why it was illegal almost everywhere. But in 1980, in what was a watershed moment, gambling was defined in the *Diagnostic and Statistical Manual of Mental Disorders* of the American Psychiatric Association as a specific problem for those individuals uniquely susceptible to its appeal.

This medicalization of society's understanding of gambling has had social, political, and public policy consequences that are both profound and troubling. One consequence is that the new understanding purports to divide the American public into two separate and unequal groups: on one side is the great majority of the population who can enjoy gambling as healthy fun; and on the other side is a small clinical population that fits the specific diagnostic criteria of gambling addiction.

A second consequence is that the gambling lobby has used the new definition of gambling to promote the idea that the harms of gambling are limited and manageable and that the gambling industry itself – the producer of the harms—is also the best source of research and investigation into limiting those harms.

A third consequence is that the redefinition of gambling exempts states from their traditional public health responsibility to prevent the known harms of gambling and, instead, allows government to shift responsibility for treatment onto the gambler herself and onto mental health professionals.

Conclusion

EVIDENCE FROM THE HEALTH AND SOCIAL SCIENCES suggests that the new American casinos are associated with a range of negative health, economic, political, intellectual, and social outcomes. For this reason, we view state sponsorship of casino gambling as a regressive and damaging policy.

Appendix

How Much Gambling Revenue Comes from Problem Gamblers?

Proponents of casino gambling often say that casinos provide entertainment for many Americans who enjoy occasional gambling. They almost never say that a large proportion of casino revenue comes from problem and pathological gamblers.

Evidence from scholarly studies on the relationship between casino income and problem gambling consistently and robustly points to the conclusion that casinos disproportionately rely on problem and pathological gamblers for their revenue base.

Evidence from Direct Estimates

1. About 35 to 50 percent of casino revenues derive from problem and pathological gamblers.

   Source: Earl L. Grinols and J.D. Omorov, "Development or Dreamfield Delusions? Assessing Casino Gambling's Costs and Benefits," *Journal of Law and Commerce* 16, no. 1 (1996): 60.

2. About 33.1 to 55 percent of casino revenues derive from problem gamblers (Alberta: 37.2 percent; British Columbia: 33.1; Nova Scotia: 48.7; Iowa: 38.4; New York: 41; Washington: 55).

   Sources: Henry R. Lesieur, "Pathological and Problem Gambling: Costs and Social Policy," Testimony before the Rhode Island House Gambling Commission, October 15, 2002. Henry R. Lesieur, "Costs and Treatments of Pathological Gambling," *Annals of the American Academy of Political and Social Science* 556, no. 153 (March 1998): 165.

3. About 37.3 percent of gambling expenditure was accounted for by residents with gambling problems.

   Source: Tremayne, Kell, Helen Masterman-Smith, and Jan McMillen, *Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT* (Sydney: University of Western Sydney, Australian Institute for Gambling Research, 2001), 10.

4. About 38.4 percent of gaming machine and casino table game revenue derives from problem gamblers.

   Source: Australian Government Productivity Commission, *Australia's Gambling Industries, Inquiry Report*, no. 10 (Canberra: Australian Government Productivity Commission, 1999), vol. 3: appendices,12, http://www.pc.gov.au/ data/assets/pdf file/0006/82554/ gambling3.pdf.

5. About 47.5 percent of gaming machine and casino table game revenue derives from problem gamblers.

   Source: Tremayne, Kell, Helen Masterman-Smith, and Jan McMillen, *Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT* (Sydney: University of Western Sydney, Australian Institute for Gambling Research, 2001), derived from p. 114, table 25.

Evidence from Relative Gambling Losses

6. About 50.2 percent of casino revenues derive from problem gamblers.

   Australian problem players lose 17 times more than non-problem players. Nine percent of machine players are problem gamblers. Implies 62.7 percent of machine revenue is from problem gamblers. .627*.8 = 50.2 percent. (The .8 multiplier in this note and notes 7–11 derives from 80 percent of casino revenues coming from slot machines.)

Source: Henry R. Lesieur, "Pathological and Problem Gambling: Costs and Social Policy," Testimony before the Rhode Island House Gambling Commission, October 15, 2002.

7. About 54.2 percent of casino revenues derive from problem gamblers.

   Nova Scotian problem players lose 16 times more than non-problem players. Sixteen percent of machine players are problem gamblers. Implies 67.8 percent of machine revenue is from problem gamblers. .678*.8 = 54.2 percent.

   Source: Henry R. Lesieur, "Pathological and Problem Gambling: Costs and Social Policy," Testimony before the Rhode Island House Gambling Commission, October 15, 2002.

Evidence from Gambling Machine Revenue Shares

8. About 33.8 percent of casino revenues derive from problem gamblers.

   About 42.3 percent of EGM (electronic gaming machine) revenue came from people with gambling problems.

   Source: Australian Government Productivity Commission, *Australia's Gambling Industries, Inquiry Report*, no. 10 (Canberra: Australian Government Productivity Commission, 1999); 0.8*.423 => 33.8 percent.

9. About 38.6 percent of casino revenues derive from problem gamblers.

   About 48.2 percent of EGM revenue came from people with gambling problems.

   Source: Tremayne, Kell, Helen Masterman-Smith, and Jan McMillen, *Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT* (Sydney: University of Western Sydney, Australian Institute for Gambling Research, 2001), 114; 0.8*.482 => 38.6 percent.

10. About 48 percent of casino revenues derive from problem gamblers.

    Given the variability associated with different sample sizes and methods for calculating the shares, the combined risk category CPGI 3+ [Canadian Problem Gambling Index] probably gives a more reliable estimate of the relative spending of higher risk gamblers. It ranges from 42 to 74 percent [of total gaming machine spending], with an average of 60 percent.

    Source: Australian Government Productivity Commission, *Gambling: Productivity Committee Inquiry Report*, no. 50 (Canberra: Australian Government Productivity Commission, 2010), vol. 2, app. B, B11, http://www.pc.gov.au/__data/assets/pdf_file/0003/95682/__gambling-report-volume2.pdf; 0.6*.8 => 48 percent.

11. About 49.6 percent of casino revenues derive from problem gamblers.

    About 62 percent of machine revenue is derived from problem gamblers.

    Source: Robert Williams and Robert Wood, *The Demographic Sources of Ontario Gaming Revenue, Final Report*, prepared for Ontario Problem Gambling Research Centre (Ontario: Ontario Problem Gambling Research Centre, 2004), 42, table 17, "Proportion of Revenue Derived from Problem Gamblers as a Function of Type of Gambling"; 0.8*.62 => 49.6 percent.

Sources

1. *[Twenty-three] states have commercial casinos...* American Gaming Association, *2013 State of the States: The AGA Survey of Casino Entertainment* (Washington, DC: American Gaming Association, 2013), 11. Journalist Sam Skolnick provides a synopsis of the efforts to expand gambling in thirty-seven states in 2009 and 2010 in *High Stakes: The Rising Cost of America's Gambling Addiction* (Boston: Beacon Press, 2011), 14–18. Not all were successful, but as Skolnick points out, the race to increase more gambling venues has accelerated in recent years. See also, "Gambling Developments in the States, 2010," National Conference of State Legislatures, accessed August 5, 2013, http://www.ncsl.org/issues-research/econ/gambling-developments-in-the-states-2010.aspx.

   [W]ithin a short drive of a regional casino... For a map of the fifty-nine Class 3 casinos/racinos in the Northeast in 2013, see Clyde W. Barrow, "Are the New England States in a Gambling Arms Race?" (presentation, New England Fiscal Leaders Meeting, Federal Reserve Bank, Boston, MA, February 22, 2013), http://www.ncsl.org/documents/fiscal/NEFLM13Barrow.pdf.

2. *[T]raditional resort destination casinos...* Gambling researcher William Eadington coined the phrase "resort destination casino." He described this kind of casino as a facility with three thousand or more hotel rooms, unique—often spectacular—architecture, extensive entertainment offerings, indoor and outdoor recreational options, extensive culinary and shopping experiences, and, of course, "state of the art" gaming opportunities. Such casinos, he wrote in the late 1990s, can be found only in Nevada and Atlantic City, New Jersey. Today, Las Vegas remains the preeminent resort destination for national and international visitors. According to its Convention and Visitors Authority, the city attracted 39,727,022 visitors, hosted 21,615 conventions, pulled in $6.2 billion in gambling revenue on the Strip, and counted over forty-one million visitors who came through their airport. Seventeen percent of visitors were international. "Las Vegas Stats & Facts," Las Vegas Convention and Visitors Authority, www.lvcva.com, accessed August 10, 2013, http://www.lvcva.com/stats-and-facts/. Atlantic City doesn't come close to equaling Vegas as a long-distance destination. In 2012, slightly more than twenty-six million arrived by car or casino bus and 274,000 arrived

by air. "About Us," Do AC, www.atlanticcitynj.com, accessed August 10, 2013, http://www.atlanticcitynj.com/about/stats.aspx. Mississippi Gulf Coast, now ranked tenth among major gambling destinations, brings in eight to ten million visitors a year and has an airport with a capacity for 1.2 million visitors. City of Biloxi, *Gaming 20/20: A City of Biloxi Special Report* (Biloxi, MS: City Biloxi, 2012), 3, accessed August 10, 2013, http://biloxi.ms.us/PDF/Gaming2020.pdf.

[N]earby communities across the borders of neighboring states... David Blankenhorn, *New York's Promise: Why Sponsoring Casinos Is a Regressive Policy Unworthy of a Great State* (New York: Institute for American Values, 2013), see esp. chap. 7.

[T]raditional Vegas-style resort casinos catered mainly to high rollers partial to table games... In his portrait of Las Vegas, journalist and avid blackjack gambler Marc Cooper writes of his affection for the Desert Inn, a casino where table games were manned by "seasoned dealers in starched white shirts and perfectly knotted bow ties" and where there were only "four hundred [slot] machines." "The result", he writes, "was the two most rarefied of modern Vegas commodities—lots of quiet and lots of actual gambling tables—which meant that if you were going to gamble, then at least you had to sit down with other players, talk to a human dealer, pull out enough money to crank up your heart rate into the target zone, and get ready to remember at least the few basic rules of craps or blackjack." *The Last Honest Place in America: Paradise and Perdition in the New Las Vegas* (New York: Nation Books, 2004), 28.

[L]ive in the region... William Eadington, "The Economics of Casino Gambling," *Journal of Economic Perspectives* 13, no. 3 (Summer 1999): 173–92. In the late 1990s, Eadington was predicting that "casino-style gaming is moving...from site-specific destination resort mega-casinos to urban and suburban casinos...that serve a more localized market and then on to various gaming opportunities in the home or neighborhood" (190). Eadington observes that "most new [casino] jurisdictions are not capable of attracting visitors from more than 100 miles away" in "Contributions of Casino-Style Gambling to Local Economies," *Annals of the American Academy of Social Sciences* 556 (March 1998): 61.

3. *[F]ive-fold increase in less than two decades...* International Game Technology, *IGT 2010 Annual Report* (Reno, NV: International Game Technology, 2011), 10, http://thomson.mobular.net/thomson/7/1171/4379/; International Game Technology, *IGT Silver Anniversary: 2005 Annual Report* (Reno, NV: International Game Technology, 2006), 8, http://ccbn.mobular.net/ccbn/7/1194/1262/.

   Estimated at 62 to 80 percent... Racinos getting 90 percent... Natasha Dow Schull, *Addiction by Design: Machine Gambling in Las Vegas* (Princeton, NJ: Princeton University Press, 2012), 5, 300.
   Like other businesses, casinos are reducing their workforce by replacing workers with slot machines—a significant cost-saving for the casino industry. As journalist Marc Cooper observes, machines "don't get sick, don't take coffee breaks, don't ask for maternity leave, don't even think about unionizing, and foot for foot constitute the most profitable use of valuable floor space." *Last Honest Place*, 117.

   "[S]lot machine drives the industry today"... Cited in Schull, *Addiction by Design*, 5.

4. *[F]ast, continuous and repeat betting...* Ibid., 54–99. Schull's research is the most comprehensive study of modern slots and other electronic gambling machines to date. She exhaustively details the features of modern slot machines, including random number generators, multiline digitized reels, computer animated screens, the recasting of losses as potential wins (known as near-misses), payout schedules, player tracking, and bill acceptors in the machines. For a more popular description, also see Gary Rivlin, "The Tug of the New-Fangled Slot Machines," *New York Times Magazine,* September 5, 2004, http://www.nytimes.com/2004/05/09/magazine/09SLOTS.html. On problem gamblers' preferences for multiline play, low denomination bets, and free spins, see Australian Government Productivity Commission, *Gambling: Productivity Committee Inquiry Report*, no. 50 (Canberra: Australian Government Productivity Commission, 2010), vol. 1, http://www.pc.gov.au/projects/inquiry/gambling-2009/report.

5. *[T]ime on device...* Schull, *Addiction by Design*, 58. "Near misses" are another way to prolong play. For example, the machines will show all but one of the images or numbers needed for a win, encouraging players to keep on playing. See Kevin A. Harrigan, "Slot Machine Structural Characteristics: Creating Near Misses Using High Symbol Award Ratios," *International Journal of Mental Health and Addiction* 6, no. 3 (July 2008): 353–68.

6. *[H]ighly addictive...* Nicki Dowling, David Smith, and Trang Thomas, "Electronic Gaming Machines: Are They the 'Crack-Cocaine' of Gambling?" *Addiction* 100, no. 1 (2005): 33–45. According to this review, "there appears to be an overwhelming consensus in the literature for the high 'addictive' potential of EGMS" (39). For an earlier and prescient analysis, see Mark Griffiths, "Gambling Technologies: Prospects for Problem Gambling," *Journal of Gambling Studies* 15, no. 3 (Fall 1999): 265–83.

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   [M]oderate risk for a gambling problem... Australian Government Productivity Commission, *Gambling*, 16.

   [E]xhibit problematic gambling behaviors... Schull, *Addiction by Design*, 321 n60.

7. *[B]lots out time and space...* Schull, *Addiction by Design*, 203–7; for an extreme example of this dissociative state, see Schull's description of Lola, 179. For a literature review of seventeen papers on the physiological and/or subjective arousal among machine gamblers, see Julian Baudinet and Alexander Blaszczynski, "Arousal and Gambling Mode Preference: A Review of the Literature," *Journal of Gambling Studies* 29, no. 2 (2013): 343–58. Dr. Robert Hunter, head of the Problem Gambling Center in Las Vegas, notes how the addictive experience has

changed: "We're not seeing many dinosaur action gamblers who play to feel a rush. We're seeing people who say they want to feel numb, want to blank out, want to lose track." Cited in Cooper, *Last Honest Place*, 140.

"[P]laying to extinction"... Schull, *Addiction by Design*, 74–75.

8. *[Forty] to 60 percent of casino revenues...* Tracy Shrans and Tony Schellinck, *2003 Nova Scotia Prevalence Study: Final Report* (Halifax: Nova Scotia Office of Health Promotion, 2004), iii. The study found that 40 percent of gambling expenditures (losses) in Nova Scotia are estimated to come from 6.9 percent of adults in the province who are currently scoring at any level of risk for problem gambling. Interestingly, this figure remained essentially unchanged in the *2007 Nova Scotia Prevalence Study*, even though the province had instituted reforms, including turning off all gambling machines at midnight and reducing the speed of machines by 30 percent. Tracy Shrans and Tony Schellinck, *2007 Nova Scotia Adult Gambling Prevalence Study* (Halifax: Nova Scotia Department of Health Promotion, 2008), 3–4, http://www.gov.ns.ca/hpp/publications/adult_gambling_report.pdf. Schull cites 30 to 60 percent of revenues from problem gamblers. *Addiction by Design*, 16.

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    [L]ess than one percent of the adult population... See, for example, repeated statements by chief gambling lobbyist, Frank J. Fahrenkopf Jr., in letters to the *New York Times*. In 2008, for example, he writes: "We understand that 1 percent of our potential market can be classified as 'pathological gamblers' and we are committed to helping them." "Gambling in New York," letter to the editor, *New York Times*, May 20, 2008, http://www.nytimes.com/2008/05/20/opinion/lweb20gambling.html. In 2013, Fahrenkopf writes: "[A]n in-depth, peer-reviewed study completed recently by the University of Iowa reaffirms what research by the Harvard Medical School and other institutions have shown clearly over four decades: despite the dramatic increase in casinos over the years, the rate of disordered gambling has stayed consistently at 1 percent of the population." "Gambling Addiction," letter to the editor, *New York Times*, April 3, 2013, http://www.nytimes.com/2013/04/04/opinion/gambling-addiction.html.

    On the National Center for Responsible Gaming website, the claim is again made as a "key research finding": "Harvard's estimate of approximately 1 percent of the adult population has been verified by independent studies and the National Academy of Sciences." "Key Research Findings," National Center for Responsible Gaming, http://www.ncrg.org/research-center/key-research-findings, accessed June 17, 2013.

[M]any scholars have criticized... Volberg, *Chips Are Down*, 5–8; Schull, *Addiction by Design*, 14–19; Abbott et al., *Review of Research*, 19.

[F]ifteen up to twenty percent... Shrans and Schellinck, *2003 Nova Scotia Prevalence Study*, xi; Australian Government Productivity Commission, *Gambling*, 13. This latest report from the Australian government estimates that among those who play weekly or more on gaming machines, "15 per cent are problem gamblers with an additional 15 per cent at 'moderate risk.' They account for around 75–80 percent of 'problem gamblers.'" *Overview*, 13, http://www.pc.gov.au/__data/assets/pdf_file/0005/95684/02-overview.pdf.

[S]pecific vulnerable subpopulations... On seniors as a vulnerable population, see Suzi Levens et al., "Gambling Among Older, Primary Care Patients," *American Journal of Geriatric Psychiatry* 13, no. 1 (January 2005): 69–76. On Asian-Americans, see Michael Liao, *Asian Americans and Problem Gambling*, Problem Gambling Prevention Technical Assistance and Training Project (Los Angeles: National Asian Pacific American Families Against Substance Abuse), http://www.napafasa.org/pgp/PGP.Asian%20Americans%20and%20Problem%20Gambling%20Rev.11.0321.pdf.

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[G]ambling-related divorces... Henry R. Lesieur, "Costs and Treatments of Pathological Gambling," *Annals of the American Academy of Political and Social Science* 556, no. 153 (March 1998): 157.

[P]ervasive feelings of abandonment... Philip Darbyshire, Candice Oster, and Helen Carrig, "The Experience of Pervasive Loss: Children and Young People Living in a Family Where Parental Gambling Is a Problem," *Journal of Gambling Studies* 17, no. 1 (2001): 31–33; Ruth Grant Kalischuk et al., "Problem Gambling and Its Impact on Families: A Literature Review," *International Gambling Studies*, 6, no. 1 (June 2006): 37–41.

[M]ore women... According to research on gender differences among gamblers, women prefer slot machines to other types of gambling at a casino, partly because they seek a safe, legal environment for gambling and partly because they seek escape from personal problems and stress through the numbing repetition of slot play. Men are more likely to engage in all kinds of gambling and to seek the thrill of winning, Lisa Cavion, Carol Wong, and Masood Zangeneh, "Gambling: A Sociological Perspective," in *In the Pursuit of Winning: Problem Gambling, Theory, Research and Treatment*, ed. Masood Zangeneh, Alex Blaszczynski, and Nigel E. Turner (Toronto: Springer, 2008), 102–3.

12. *[G]reatest level of acceptance... four out of ten in past year... nine out of 10 agreed... machine gambling most popular:* American Gaming Association, *2013 State of the States*, 3.

    [F]uture of our business lies... Ibid., i.

    [T]hree-quarters of a million young people... John W. Welte, Grace M. Barnes, Marie-Cecile O. Tidewell, and Joseph H. Hoffman, "The Prevalence of Problem Gambling Among U.S. Adolescents and Young Adults: Results from a National Survey," *Journal of Gambling Studies* 24, no. 2 (2008): 131.

    For a popular report on youth gambling, see Brett Pulley, "Rite of Passage: A Special Report; Those Seductive Snake Eyes: Tales of Growing Up Gambling," *New York Times*, June 16, 1998, http://www.nytimes.com/1998/06/16/us/rite-passage-special-report-those-seductive-snake-eyes-tales-growing-up-gambling.html?pagewanted =all&src=pm.

13. *[H]alf the sample interviewed...* Dena C. Whitman, "A Day in the Night of a Casino Worker," in *Resorting to Casinos: The Mississippi Gambling Industry*, ed. Denise von Herrman (Jackson, MS.: University of Mississippi Press, 2006), 129.

    [T]ardiness, theft, embezzlement and health problems... Cited in Spectrum Gaming Group, *Comprehensive Analysis: Projecting and Preparing for Potential Impact of Expanded Gaming on Commonwealth of Massachusetts*, prepared for the Commonwealth of Massachusetts

(Linwood, NJ: Spectrum Gaming Group, 2008), http://www.mass.gov/hed/docs/eohed/ma-gaming-analysis-final.pdf.

14. *[C]hildcare, stress, and other health outcomes...* Whitman, "A Day in the Night," 123.

[P]roblems with alcohol... Ibid., 128–30.

[H]ealth risks of breathing second-hand smoke... Ronald M. Davis, "Exposure to Environmental Tobacco Smoke: Identifying and Protecting Those at Risk," *Journal of the American Medical Association* 280, no. 22 (1998): 1947–49. Successful class action lawsuits have been brought by flight attendants and other workers harmed by secondhand smoke, but not yet by casino workers.

Paul A. Pilkington, Selena Gray, and Anna B. Gilmore, "Health Impacts of Exposure to Second Hand Smoke (SHS) amongst a Highly Exposed Workforce: Survey of London Casino Workers," *BioMedCentral Public Health* 7, no. 257 (September 2007): 257. This study sampled 559 casino workers, 39 percent nonsmokers. Ninety percent reported respiratory problems in the previous four weeks and 71 percent reported being nearly always exposed to heavy levels of secondhand smoke at work.

Problems related to secondhand smoke apparently played a part in a significant share of ambulance calls in Colorado's Gilpin County, where twenty-six casinos are located. A recent study examining monthly data on ambulance calls between January 2000 and December 2012 found that casinos accounted for 10,105 of the 16,636 ambulance calls. The study further found that the incidence of ambulance calls dropped by 22.8 percent when a state smoke-free law was extended to casinos, but brought no change in calls from non-casino venues, suggesting that "important effects of secondhand smoke exposure occur acutely" to patrons and workers. The study concludes: "[E]xempting casinos from smoke-free laws means that more people will suffer medical emergencies." Stanton A. Glantz and Erin Gibbs, "Changes in Ambulance Calls Following Implementation of a Smoke-Free Law and Its Extension to Casinos," *Circulation*, June 25, 2013, http://circ.ahajournals.org/content/early/2013/08/02/CIRCULATIONAHA.113. 003455.full.pdf+html.

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    [D]iminishing social resources... Mary Tabor Griswold and Mark W. Nichols, "Social Capital and Casino Gambling in U.S. Communities," *Social Indicators Research* 77, no. 3 (2006): 369.

    Atlantic City as a case in point... Harriet Newburger, Anita Sands, and John Wackes, *Atlantic City: Past as Prologue,* Community Affairs Department Special Report (Philadelphia: Federal Reserve Bank of Philadelphia, 2009), vi–vii, http://www.phil.frb.org/community-development/publications/special-reports/ac-report_april-29-2009.pdf. Mallach, *Economic and Social Impact*, 27.

16. *[T]aking dollars from the community...* Heather Brome to Kip Bergstrom, New England Public Policy Center, Federal Reserve Bank of Boston, "Economic Impact of Casino Development," memorandum, September 14, 2006, http://stoppredatorygambling.org/wp-content/uploads/2012/12/Federal-Reserve-Bank-of-Boston-Study-2006.pdf. This summary of secondary economic impacts of casinos concludes that "casinos that cater to a local market generally do not bring outside money into the economy through the spending of their patrons" (4).

17. *[D]eclined to 142...* United States General Accounting Office, *Impact of Gambling: Economic Effects More Measurable Than Social Effects*, Report to the Honorable Frank R. Wolf, House of Representatives, GAO/GGD-00-78 (Washington, DC: U.S. General Accounting Office, 2000), 21, http://www.gao.gov/new.items/gg00078.pdf.

    [N]o large supermarket in the city... Newburger, Sands, and Wackes, *Atlantic City*, 85.

    [P]awn shops and check-cashing businesses on the Coast... Richard Davis, "Casinos, Crime, and the Costs of Criminal Justice," in Von Herrman, *Resorting to Casinos*, 143.

18. *[L]ost home values...* Jim Kinney, "Realtors: Western Massachusetts Casino Will Hurt Home Values in Host Community," *The Republican*, July 2, 2013, http://www.masslive.com/business-news/index.ssf/2013/07/realtors say casino wouldl hurt home val.html.

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    [M]oratorium of the 1999 federally funded report... National Gambling Impact Study Commission, *National Gambling Impact Study Commission: Final Report* (Washington, DC: National Gambling Impact Study Commission, 1999), http://govinfo.library.unt.edu/ngisc/reports/fullrpt.html.

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22. *[S]eriously underfunded...* Alexandra Berzon, "Cash Off Table for Gambling Addicts," *Wall Street Journal* April 30, 2011, http://online.wsj.com/article/SB10001424052748704473104576293381628985642.html. New York provides no funding for treatment programs, but says it will assess casinos' $500 per slot machine if voters approve a November ballot initiative for four new casinos in the state. "New Problem Gambling Research Underscores Need for Dedicated Funding," New York Council on Problem Gambling, http://www.nyproblemgambling.org/2011/04/04/new-problem-gambling-researach-underscores-need-for-dedicated-funding.

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25. *[G]ambling will become more regressive...* Daniel B. Suits, "Gambling Taxes: Regressivity and Revenue Potential," *National Tax Journal* 30, no. 1 (March 1977): 19–35; Ranjana G. Madhusudhan, "Betting on Casino Revenues: Lessons from State Experience," *National Tax Journal* 49, no. 3 (September 1996): 40; Mary O Borg, Paul M. Mason, and Stephen L. Shapiro, "The Incidence of Taxes on Casino Gambling: Exploiting the Tired and Poor," *American Journal of Economics and Sociology* 50, no. 3 (1991): 323–32.

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    [F]unding $950,000 in research grants... National Center for Responsible Gaming, *Connecting Innovative Research to Best Practices: 2012 Annual Report* (Washington, DC: National Center for Responsible Gaming, 2013), 2, http://www.ncrg.org/sites/default/files/uploads/docs/annual_reports/2012ncrg_annual_report_final_june_rev.pdf.

27. *[N]ot a single one...* See the National Center for Responsible Gaming Research Library, http://www.ncrg.org/research-center/research-library.

28. *[G]rowing inequality in America...* The problem of growing inequality has been chronicled in both popular and scholarly literature in recent years, but few, if any, of the many books, articles, and op-eds mention the spread of regional casinos as a feature of the institutional landscape of inequality in America today.

    [L]ow-income workers, retiree, minorities, and the disabled... Even among researchers who disagree about the impact of spreading casinos, there is widespread consensus that the most marginalized and economically downscaled represent a disproportionate share of the regional casino population and contribute a disproportionate share of revenues (losses) to the state and the casino industry.

29. William A. Galston and David Wasserman, "Gambling Away Our Moral Capital," *Public Interest*, no. 123 (Spring 1996): 58–71 passim, raises some of these questions. For an analysis of the bipartisan consensus on gambling, see Alan Wolfe, "The Culture War Issue That Never Was: Why the Right and Left Have Overlooked Gambling," in *Gambling: Mapping the American Moral Landscape*, ed. Alan Wolfe and Erik C. Owens (Waco, TX: Baylor University Press, 2009), 373–93.

30. Wayne W. Parrish, "Gambling Slot-Machines That Swallow Millions," *Literary Digest* (August 19, 1933) and "You Can't Win in the Slot-Machine Racket," *Literary Digest* (August 26, 1933). See also, "New York Mayor's War on Slot-Machines," *Literary Digest* (March 3, 1934). Ernest Havemann, "Gambling in the U.S.," *Life*, June 19, 1950, reprinted in *Gambling in America*, ed. Herbert L. Marx Jr. (New York: H.W. Wilson Company, 1952). Gary Rivlin, "The Chrome-Shiny, Lights-Flashing, Wheel-Spinning, Touch-Screened, Drew-Carey-Wisecracking, Video-Playing, 'Sound Events'-Packed, Pulse-Quickening Bandit," *New York Times Magazine*, May 9, 2004.

31. *[P]roblem for individuals...* American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders*, 3rd ed. (Washington, DC: American Psychiatric Association, 1980), 291–93. The DSM-III, as it was known, placed pathological gambling in a "residual diagnostic category for disorders of impulse control not classified as substance use disorders." Other disorders in this category were kleptomania, pyromania, and intermittent explosive disorder. Later editions of the DSM have revised the name, diagnostic criteria, and classification for "pathological gambling." DSM-5, published in 2013, describes pathological gambling as a behavioral disorder and places it within "Addiction and Related Disorders." For a fuller discussion of the effort to revise and reclassify gambling, see Nancy Petry et al., "An Overview of and Rationale for Changes Proposed for Pathological Gambling in DSM-5," *Journal of Gambling Studies* (March 2013). For a critique of the larger DSM enterprise, see Gary Greenberg, *The Book of Woe: The DSM and the Unmaking of Psychiatry* (New York: Penguin Group, 2013).

    [M]edicalization of gambling... Brian Castellani, *Pathological Gambling: The Making of a Medical Problem* (Albany: State University of New York Press, 2000). See also, Schull, *Addiction by Design*, 14–17.

[P]olitical and public policy consequences... Barbara Dafoe Whitehead, *Gambling with the Public's Health: How Government Greed for Gambling Dollars Is Spreading Addiction and Harming Americans' Health and Happiness* (New York: Institute for American Values, forthcoming December 2013.) This study will examine the new science of gambling addiction and explain how expert knowledge on gambling addiction has been used to advance special interests rather than the public interest.

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