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Report: Casinos Profit Most From Those With Least

‘Why Casinos Matter,’ released Sept. 17 by the Institute for American Values, argues such gambling serves to further separates the ‘haves’ from the ‘have-nots.’

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BOSTON — The bright, flashing lights of casinos draw crowds that disproportionately belong to society’s lowest income brackets, a new report on the gaming industry says.

Released Sept. 17, [“Why Casinos Matter: Thirty-One Evidence-Based Propositions From the Health and Social Sciences”](#) report states that casino gambling creates a stratified pattern in which women, low-wage workers and retirees contribute more, which further divides the “haves” from the “have-nots.” The allure of those lights also appeals to struggling state governments. Legislators want the promise of increased jobs and tax revenue and the votes that come with them.

Commercial casinos exist in 23 states already. Though not yet built, they were legalized in Massachusetts in 2011. New York, which has nine gaming venues (most of which are run by American Indian tribes), could soon have up to seven commercial casinos if residents approve a ballot initiative in November.

Other states seem eager to enter the casino race. Some Kentuckians, including Gov. Steve Beshear, contend that casinos would save the ailing horse-racing industry. In last year’s [State of the Commonwealth address](#), Beshear said casinos would allow Kentucky to recapture money spent by its citizens at casinos across state lines. Opening casinos at racetracks would also keep Kentucky the “Horse Capital of the World,” he said.

The new report analyzing the negative health and social effects of casino gaming was commissioned by the Council on Casinos, an independent group of scholars and public-policy leaders convened by the [Institute for American Values](#), an organization whose mission is “to study and strengthen civil society.”



Neighborhood Casinos

David Blankenhorn, president of the institute, said that American casinos have moved beyond the Vegas strip and set up shop on Main Street. These neighborhood casinos represent a recent, large-scale social change that has not received sufficient attention.

Blankenhorn said that having casinos nearby increases Americans' access to them, by extending access to those who cannot afford to travel far. Casino goers are more likely to have lower incomes, and compulsive gamblers are much more likely to come from the less affluent classes, he said.

In addition, the report cites multiple studies that show 35% to 50% or more of casino revenue comes from intense gamblers, those who attend regularly.

“There is a fundamental question of injustice,” Blankenhorn said. “There is an unfairness at the heart of the issue.”

Just how much more the poor are adversely affected by casino gambling has not been extensively studied and is, therefore, hard to quantify. Blankenhorn called for more independent research of the entire gaming industry. The [last nationwide study](#), funded by the federal government in 1999, called for a moratorium on expanding the industry until better evidence of its harms had been collected.

Much of the current research has been funded by the gaming industry itself. Though they collect data on problem gambling, they do not focus on the techniques they use to entice players to spend more and come back often. Instead, they commonly hand out perks, offer ATM machines on the house floor and extend credit to gamblers who have already maxed out other revenue streams. Blankenhorn said the result is that casinos “bleed people dry.”

Predatory Gambling

“There is not a single act of government today that creates more inequality than its promotion of casinos and state lotteries,” said Les Bernal, executive director of the national group [Stop Predatory Gambling](#).

Bernal, a Catholic, said that predatory gambling exploits citizens, driving neighbors into poverty and destroying families. This is the antithesis of Jesus' call to love others as ourselves.

“This is an incredible opportunity for Catholics to remind America about the principles of the fight against poverty, against injustice and against predatory practices,” he said.

According to the Catechism of the Catholic Church, “Games of chance (card games, etc.) or wagers are not in themselves contrary to justice. They become morally unacceptable when they deprive someone of what is necessary to provide for his needs and those of others. The passion for gambling risks becoming an enslavement. Unfair wagers and cheating at games constitute grave matter, unless the damage inflicted is so slight that the one who suffers it cannot reasonably consider it significant” (2413).

The next paragraph of the Catechism elaborates on the underlying principle that needs to be applied when judging the morality of gaming. “The Seventh Commandment forbids acts or enterprises that, for any reason — selfish or ideological, commercial or totalitarian — lead to the enslavement of human beings, to their being bought, sold and exchanged like merchandise, in disregard for their personal dignity. It is a sin against the dignity of persons and their fundamental rights to reduce them by violence to their productive value or to a source of profit” (2414).

Bernal described the Church’s position on gambling as “nuanced” and said that, because the Church does not definitively oppose social gambling, and in fact sometimes sponsors it, many Church leaders have been uncomfortable speaking out against expanded gaming.

For decades, however, bishops in Massachusetts, New York, Illinois, Texas, Florida, Kentucky and other states have strongly opposed casino legislation.

Father Patrick Delahanty, executive director of the [Catholic Conference of Kentucky](#), said the Bluegrass State’s bishops have long opposed expanded gaming because its proceeds are unreliable, and studies show it creates problems like new compulsive gamblers and increased crime rates.

“The Catholic Church is not against people gambling in moderation for recreational purposes, but for our government to be sponsoring and promoting expanded gaming, we consider that just bad public policy,” he said.

Chasing Losses

Most casino revenue comes from slot machines. When many people think of slot machines, they envision cherries and sevens flashing before their eyes, and nickels pouring out after a jackpot. Those mechanical “one-armed bandits” are gone, and in their place are sophisticated computers that ensure that people will ultimately lose more than they win over time, according to Barbara Dafoe Whitehead, principal investigator of the casino report.

Well-timed mini jackpots and near wins can keep players believing that they are one click away from turning that negative number on the screen into a positive, she added

Massachusetts native Ed Talbot knows what it is like to chase gambling losses. At first, he placed bets at the dog track in order to make some extra money to support his young family. But

the more in debt he became, the more he could not stop. At one point in the 1970s, Talbot owed more than \$40,000 in gambling debts. He realized that on his salary of about \$30,000 a year, it would take many years to pay off that debt.

“The only way to get out of the mess that you’re in is to keep gambling and hit that big one, and that lie keeps you going and going and going,” he said.

Talbot, raised Catholic, learned he had a problem when a priest referred him to [Gamblers Anonymous](#). He has not made a wager in 36 years, adding that the first thing he does every morning is get on his knees and ask God to get through the day without placing a bet or thinking about gambling.

Talbot added that his addiction led to his divorce and a rocky relationship with his daughter. He said of his gambling, “It cost me everything.”

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