

Evangelical Lutheran Church in America

<http://www.elca.org/What-We-Believe/Social-Issues/Social-Statements/Economic-Life/gambling.aspx>

Gambling

The Gambling Picture

When you think about gambling, what picture do you see? If you are a legislator or business leader in a depressed area, you might see Tunica County, Mississippi. Once called "America's Ethiopia" because of its oppressive poverty and high unemployment, Tunica now has thriving casinos, almost no unemployment, and new tax revenues that have built roads and public housing. If you are worried about funding for education, you might think of Georgia, Ohio or sixteen other states, which dedicate profits from their state lotteries for public schools. If you are an American Indian, you might see the Mashantucket Pequot of Connecticut, whose Foxwoods casino brings in nearly one billion dollars a year -- money that can be distributed to tribe members, or spent on nursing homes, recreation centers, or to establish economic independence for the tribe. Or if you are someone looking for an exciting place to take your family on vacation, you might think of Las Vegas, with its new theme parks and kids' play rooms alongside rows of slot machines.

These are the new pictures of gambling, but they stand uneasily alongside a whole set of different and more troubling images. If you are a restaurant owner near a casino, you might see your business closed and your employees laid off, because you couldn't compete with the cut-rate meals casinos use to attract customers. If you live in one of the cities that allows riverboat gambling, you might have seen your taxes rise or your neighbors lose their jobs when the riverboat left for a less-restrictive state. If you live in a poor community, you might see your friends seduced by the government's promise that the lottery is "Your ticket out," even though the odds are hopeless. If you work in a casino child care center, you might see the same children -- sometimes even infants -- left with you night after night, while their parents gamble into the morning hours. Or if you have a husband or wife, parent or child who is addicted to gambling, you might have seen your family driven into bankruptcy or broken apart, and your loved one sunk deep in depression, or perhaps even tempted to commit suicide.

No matter what picture we see (and it is probably a blend of the good and bad) one fact is clear: gambling surrounds us to an unprecedented -- and increasing -- extent. Just over thirty years ago, gambling was largely illegal and certainly distant from most of our daily lives. In 1963, no state had a lottery and only one state permitted casinos (though many allowed betting on horse or dog races). By 1996, however, only Hawaii and Utah prohibited all forms of gambling. Thirty-seven states and the District of Columbia ran state lotteries, and twenty-seven states allowed casinos. Gamblers legally wagered over \$586 billion in 1996, earning states, American Indian tribes, and casino operators nearly \$48 billion. Few doubt that these numbers will continue to increase, at least for the foreseeable future. And with gambling now available on the internet, it will reach more people than ever.

Thinking Together about Gambling

The decade since the American Lutheran Church statement "Gambling and the Public Good" has seen rapid change in the place of gambling in our society. More forms of gambling are available in more communities. Gambling interests wield significant political clout, and governments depend on the revenue gambling generates. In addition, popular acceptance of gambling has increased dramatically. Not so long ago, most people regarded gambling as immoral; now, most regard gambling as an acceptable form of recreation. These changes have not come without costs, however, and opponents of legalized gambling warn of even greater consequences if these trends are not reversed. In light of the expanding scope and popular acceptance of gambling, Christians cannot avoid questions about their own participation in and attitudes toward gambling.

Is gambling an inherently sinful activity?

May Christians work in the gambling industry?

How should Christians exercise their political citizenship in matters relating to gambling?

How should Christian communities respond to gambling?

No one should doubt that Christians will give different answers to these questions. Unlike adultery, which Holy Scripture clearly forbids, the Bible does not speak directly to gambling. Christian analysis and discussion of gambling will be guided by the Bible, the Church's history and tradition, and the gift of human reason; and yet faithful Christians can disagree about the conclusions we draw from these guides. But the possibility of difference should not keep us from having a serious conversation about gambling. Indeed, with the accelerating pace of gambling's spread, one of the most significant -- and perhaps even distinctive -- things that the Christian community can do is to pause for reflection and discussion.

As recognized in the 1991 ELCA Social Statement, "The Church in Society: A Lutheran Perspective," part of a congregation's role is to be a "community of moral deliberation."

Christians fulfill their vocation diversely and are rich in the variety of gifts of the Spirit. Therefore, they often disagree passionately on the kind of responses they make to social questions. United with Christ and all believers in baptism, Christians welcome and celebrate their diversity. Because they share common convictions of faith, they are free, indeed obligated, to deliberate together on the challenges they face in the world.

This study is designed to provoke and guide discussion of gambling. It is divided into six segments, each of which can serve as the basis for a one hour class. The first part provides introductory information about gambling and its growth in the United States. The second offers a framework for Christian analysis of gambling, drawing on scripture and moral principles. The third segment looks at the problem of compulsive gambling. The fourth focuses on state sponsored gambling, especially lotteries. The fifth examines arguments about gambling's relationship to the economic common good. And the sixth part looks at the special issues raised by gambling on American Indian reservations.

Explore these different sessions online. To jump to any section of the gambling study at any time, click on "Gambling Study" at the top of this page, and then select the session or section that you would like to read more about.

Gambling Study Table of Contents

Introduction

**Session 1:
Understanding Gambling**

**Session 2:
Gambling and the Godly Life**

**Session 3:
The Vulnerability of Gambling**

**Session 4:
Lotteries, the Poor, and the State**

**Session 5:
Gambling and the Economic Common Good**

**Session 6:
Gambling on American Indian Reservations**

Session 1: Defining Gambling

Nearly every day, we hear people use the language of gambling to describe the ordinary risks of our lives. Pedestrians "gamble with their lives" when they cross busy streets. Farmers "bet on the weather" in deciding when to plant or harvest. Investors "hedge their bets" and buy a wide variety of stocks. Although these uses are common, we need to understand why none of these risks is properly called "gambling." As the 1984 ALC Statement "Gambling and the Public Good" describes it, gambling requires three elements:

- 1) a valuable consideration, mutually risked in the hope of
- 2) winning a significant prize, which is awarded
- 3) not primarily for skill or ability but largely by the caprice of chance.

Looking at a lottery helps us to see these three elements. You buy a ticket (consideration), in hopes that certain numbers will be selected at random (chance), so you can win the jackpot (prize). The same elements are present in all gambling, from slot machines to bingo, from poker to black jack, and from betting on football games to horse races.

To better understand what is -- and what is not -- gambling, we need to take a closer look at each of the three elements.

1. Consideration

To gamble means to voluntarily risk losing something that you value -- whether it is a quarter someone drops into a slot machine, a ten-dollar wager placed on a horse race, or a stack of chips bet in a card game -- in the hope of gain. The players may win their money back (and more), or they may lose it all. When players are not required to accept this risk in order to play, the activity is not gambling. Because, as the contests say, "no purchase is required," sweepstakes are not generally considered gambling. On the other hand, raffles -- a common fund-raising tool for many churches -- fit within this definition of gambling: people buy tickets for a chance to win a prize.

2. Prize

The second element is the most obvious: all gambling involves the possibility of winning a prize. This is true of many games we play, but the prize has a somewhat different place in gambling. In many games, the prize is a "bonus" for winning; the point of the game is to play well, to play better than one's opponent. In gambling, however, the prize seems to be the main point of the game. People gamble for lots of reasons -- for recreation, excitement, challenge, or out of greed, despair, or addiction -- but the games they play, as well as the atmosphere surrounding the games, are all focused on the prize.

3. Chance

The third element of gambling is often the most difficult to understand, but it is the most important in distinguishing gambling from other activities that involve risk. One way to understand this is by focusing on the players. Is the winner decided by the players' ability, or by

events outside the players' control? Some gambling involves a degree of skill in evaluating the odds of winning, such as handicapping a horse race or counting cards in blackjack, but the players do not control the outcome of the game.

Another way to look at the element of chance is to focus on the game itself, the event that determines how the prize will be distributed. In gambling, the risk is artificial. It is created for the purpose of playing the game, and has no point beyond the game. Contrast this with the risk assumed by a financial investor who buys stock in a hypothetical Company X. First, no one "creates" the risk that our investor assumes. The investor's risk primarily comes from the economic health of Company X, both in present terms and as a prediction of how the company will do in the future. If Company X succeeds in offering products or services that people buy and the company is well managed, then the investment is likely to grow. If the company fails to attract customers or is poorly managed, then the investment will probably decline in value. Second, even though we often stress the importance of "market competition" in our economy, financial investment is actually the way that our economy allows people to share the risks of loss -- and the possibilities of gain -- that come with any form of commercial enterprise. Though they are often many steps removed from producing goods or providing services, investors are necessary participants in most businesses.

The contrast between gambling and financial investment reveals one more distinction. As we have seen in the rise of the stock markets' value -- not just over the last five years, but over the last century -- one's investment gains do not depend on others' investment losses. The economic "pie" grows. In gambling, however, the "pie" is fixed; the players divide up a set pool of money. In economic terms, gambling is a "zero sum game": whatever one person wins must be lost by another.

Even though financial investment differs from gambling in several important ways, the sins of greed and covetousness remain substantial dangers for those who invest -- just as they are for those who gamble.

How We Became a "Gambling Nation"

Gambling is not a new phenomenon in the United States; indeed it dates back to the first colonists. The early Jamestown settlement was financed by a lottery in England, and through the eighteenth and early nineteenth centuries private lotteries provided an important source of funds for building roads, bridges, hospitals, and schools. Congregations even used lotteries to raise money to build churches. At least in the early years, the heavy use of lotteries in such projects can be partly explained by the absence of a developed system of banks and financial markets. Lotteries offered a ready source of capital for the growing country

By the mid-1800's, however, popular discontent with lotteries was growing for two reasons. Many regarded the lotteries as morally destructive, encouraging idleness, poverty, and crime in those who played the games. But the real cause for lotteries' eventual prohibition was fraud in the games themselves. Operators were accused of stealing money that was supposed to go for charitable or public purposes, or rigging the games' results. Before the Civil War, most states had prohibited all lotteries. In the years after the Civil War, lotteries made a brief comeback in the

South and West, but quickly died out again -- everywhere except Louisiana. By the late 1870's, tickets for the Louisiana lottery (known as "the Serpent") were being sold (illegally) across the nation, and the lottery generated incredible profits for its private owners. These owners then used the funds to finance state projects and to pay off public officials, ensuring both popular and political support in Louisiana. The U.S. Congress finally intervened in 1895 by outlawing interstate transportation of lottery materials. Without its nationwide pool, the Louisiana lottery eventually folded.

In 1900, legalized gambling in the United States was limited to Kentucky, Maryland, and New York, which allowed betting on horse racing. Gambling made a comeback in the years following the Great Depression, however, as states looked for ways to increase their revenues. Nevada legalized casinos in 1931, and within a decade a dozen more states opened their doors to betting on horse racing, dog racing, or jai alai. Although New Hampshire reintroduced state lotteries in 1964, the real gambling boom did not begin until the 1970s. The states that followed New Hampshire into the lottery business realized that they needed more frequent games (New Hampshire's lottery was originally held only twice a year) and more aggressive advertising. And while many states turned to lotteries to supplement public revenues, New Jersey decided to try gambling as a means for economic development, so in 1977 it joined Nevada by legalizing casinos in Atlantic City.

While gambling's expansion in the 1970's was substantial, its growth in the 1980's and early 1990's would prove far more dramatic. Economic stagnation converged with growing anti-tax sentiment and led more state governments to look to gambling as a source for revenue and development. Lotteries began offering bigger prizes, quicker games -- twice daily drawings and instant tickets became favorites -- and more intense promotion. But the even higher revenues and development promise of casinos beckoned, and by the late 1980s states and American Indian tribes were lining up to follow Nevada and New Jersey. Now, a total of ten states have legalized casino gambling, and an additional seventeen have agreements with American Indian tribes permitting casinos on reservations.

Some may object that this brief history focuses on what states have permitted (or sponsored), and not on what "consumers" have wanted. It is true that some people have always wanted to gamble, whether gambling was legal or illegal. Governments and others providers of gambling would not offer gambling unless they thought people would play the games. But when governments legalized gambling, they not only created outlets for those who wanted to gamble; they also helped to make gambling more acceptable. This increased the number of people wanting to gamble, and has thus lead to even greater demand for gambling.

Gambling in the late 1990's has become a story of acceleration. Though its opponents have succeeded in limiting its spread in a number of states, gambling continues to expand both to more states -- three casinos will open in Detroit within the next few years -- and more

reservations. The games are also accelerating: casinos increasingly rely on slot machines, which provide faster games for more players (and, coincidentally, much lower labor costs). Seeing their own revenues at risk from faster-paced casino games, a number of state lotteries have looked to "video lottery terminals" (VLTs) -- video card games or video slot machines -- and keno (a form of lottery that can be played every five minutes) to preserve their share of the gambling market. And as one might expect, more outlets and faster games means an increase in the aspects of gambling that raise great concerns for many Christians: its impact on our common economic life, on the poor, on those vulnerable to gambling addiction, and, not least, on our own moral and spiritual well-being. These causes for concern will be taken up in greater detail through the next four sessions.

For Discussion

Learn about gambling in your community:

What forms of gambling are available in your locality? Your state?

Lottery?

Video Lottery Terminals?

Parimutuel wagering (usually horse or dog racing)?

Casinos?

on riverboats?

on American Indian reservations?

Charitable gambling (such as fund raisers for fire departments, church or civic organization bingo)?

Are new forms of gambling under consideration? If so, has there been a public debate over expansion?

what reasons are being offered for adopting these new games?

Increased tax revenues?

Economic development?

Jobs?

Retain the money that local gamblers are spending in other jurisdictions?

What reasons are being offered to oppose the expansion of gambling?

Gambling is morally wrong?

Increase in those addicted to gambling?

Social costs of gambling?

Loss of non-gambling jobs?

Increased crime?

Disproportionate impact on the poor?

Discuss your own attitude -- and your congregation's attitude -- toward gambling:

Have you ever gambled? What games did you play? Do you gamble on a regular basis?

If you do not gamble, do you think it is wrong for others to gamble? If so, why? If not, why not?

Have you or anyone you know been involved in an organization that opposes gambling, such as

the National Coalition Against Legalized Gambling?

Do you own or work in an establishment that provides gambling, whether it is a casino or a drug store that sells lottery tickets. If so, how has that affected your attitude toward gambling?

Does your church sponsor any activities that involve gambling, such as bingo or raffles?

Ask other members of your congregation whether they have gambled, and what their attitudes are toward gambling.

Many people do not accept the distinction between financial investment and gambling. Do you? If not, why not? Are you troubled by the large profits some make through investments? Or the volatile nature of certain financial markets, such as futures markets?

Session 2: Gambling and the Godly Life

In baptism, we are called to lead godly lives, bearing witness to our common faith in Christ Jesus. As St. Paul commands, "Live your life in a manner worthy of the gospel of Christ" (Phil. 1:27). We learn the shape of that godly life through our study of Holy Scripture, through the teaching of the Church, and through conversation with fellow members of the Christian community. Within this context, this session asks how one who is trying to lead a godly life should view gambling.

Christians have traditionally offered four reasons to be concerned about gambling: first, because the games focus on acquiring wealth, gambling can encourage the sins of greed and covetousness; second, the emphasis on chance can be an occasion for despair and distrust in God's promises; third, gambling can lead us to misuse stewardship over our time, talents, and resources; and fourth, gambling can place vulnerable members of our communities at risk of great harm.

1. Greed

Many Christians regard gambling as wrongful because they believe it promotes the sins of greed and covetousness. When people gamble out of a desire for material gain, motivated by images of great wealth, they risk falling into sin. Of course, gambling is not the only thing people do out of greed. Some work only for money, and some even make friends in order to exploit them for personal gain. Gambling, however, offers a more concentrated opportunity for the sin of greed, because the whole activity revolves around winning -- or losing -- money

The Bible calls this striving for riches pleonexia (literally "graspingness"). We continually grasp for more: more of what our neighbors have, more of what we see advertised on television, more of what our culture counts as "the good life." In our grasping, we sin against God and our neighbor.

Like many sins, greed represents a perversion of the gifts God bestows on us in creation. God gives us material goods that we can use to provide for ourselves, our families, and our communities. Instead of accepting these gifts in a spirit of thanksgiving, we are often discontent with what God has given us, and we want more. This inordinate striving to acquire more wealth is greed. Inordinate is the key word: it means both "misdirected" and "out of proportion." All

God's gifts -- our possessions and our whole life -- should be used to glorify God and to serve our neighbor. In greed, however, we divert those goods for our own selfish desires. And greed misdirects not only the use of these goods; it misdirects the desire -- the love -- that we should have for God. Thus, greed reflects our disproportionate concern for material goods. We worship goods, these creations of God, instead of the Creator. In Matthew 6:24, Jesus describes the ultimate implication of our disproportionate concern for goods: "No one can serve two masters; for a slave will either hate the one and love the other, or be devoted to the one and despise the other. You cannot serve God and wealth." As Colossians 3:5 indicates, greed is a form of idolatry.

In greed and its close relation, covetousness, we sin against our neighbors as well as against God. Gambling can easily lead to the sin of desiring our neighbor's possessions because of its "zero sum" quality (discussed in the previous session). Whatever I win, a neighbor must lose. It is often a short step from that observation to covetousness: "I want my neighbor to lose so I can win."

Gambling can feed our desire for wealth and our temptation to idolatry, but not all who gamble fall into these sins. Some gamble only for recreation, for the challenge of beating the odds, and pay little attention to their wins and losses. They use gambling, and wealth generally, in an "ordinate" fashion, keeping in mind the proper relationship between created goods and the Creator.

But many who gamble do fall into the sins of greed, covetousness, and idolatry. And these sins can have devastating consequences. The words of 1 Timothy 6:9-10 serve as a warning: "Those who want to be rich fall into temptation and are trapped by many senseless and harmful desires that plunge people into ruin and destruction. For the love of money is the root of all evil, and in their eagerness to be rich some have wandered away from the faith and pierced themselves with many pains." Greed's obsession with wealth damages our relationship with God, alienates us from family and friends, and coarsens all our relationships with other people -- who cease to be "neighbor" and become rivals for the next jackpot. And because material goods do not deserve and cannot bear the weight we put on them, greed ultimately leads many to despair.

2. Distrust of God

Some Christians express concern that gambling's emphasis on chance is inconsistent with a believer's trust in God's providence. This concern is especially appropriate for those who gamble out of a sense of despair. When work does not provide subsistence, much less prosperity, gambling can appear to be the only alternative to continued need. In their hopelessness, gambling invites people to place their trust in Fortune, in Lady Luck, in the Big Chance. As Lutheran ethicist David Krueger writes,

Vegas's appeal to the nonaffluent . . . suggests a general malaise and absence of belief in the capacity of themselves and the institutions of American society to create adequate opportunity and well-being for large segments of our society. Do many believe that gambling becomes the only "real" hope to better their lives?

To make matters worse, gambling's hope is illusory. Very few "hit the jackpot"; most can only hope to break even. And many lose what little they have.

For believers, gambling's invitation is doubly destructive. Not only is the hope illusory; the trust gambling invites misdirects our true faithfulness. One who trusts in fortune will probably be disappointed: the odds can't be in your favor, or the "house" would go out of business. Disappointment is not the Christian's only danger: one who trusts in fortune also fails to trust in God's provident care. (See Luke 12:29-31; 1 Tim. 6:17-18.) Hopelessness is itself a sin, a sign that we have forgotten -- or no longer believe -- that God answers our prayer "Give us this day our daily bread." Our faith consists in holding fast to God's promise to care for us and to sustain us; it is incompatible with gambling's seductive invitation to put our hope in luck.

In addition, some worry that gambling leads people to overstate the importance of random luck in all areas of life. Gambling's chance comes to symbolize an arbitrary universe. For Christians, any stress on arbitrariness should be troubling for two reasons. First, as with the sin of hopelessness, it means that we deny that God continues to govern -- to care for and sustain creation. And second, overemphasis on chance denies our God-given ability to exercise rational control over many areas of human life. Because of our ability to make rational judgments, we should attempt to minimize the places in our lives that are random, not enlarge or celebrate them. Think for example of traffic safety. One could say that auto accidents are random events, and that any driver "gambles" when she gets behind the wheel, but shouldn't we aim to minimize the risk of accidents -- perhaps by installing stop lights or setting speed limits?

Some Christians raise a different objection to gambling's emphasis on chance. When gambling offers the opportunity to "get rich quick" (a focus of much lottery advertising) it can diminish the significance of productive labor. Work comes to be seen as an avoidable burden -- avoidable, that is, if you beat the odds. But Christians believe that work is a blessing, not a curse. God gives each of us a vocation through which we serve our neighbors and participate in God's work of sustaining creation.

Concerns about hopelessness, distrust of God, and denial of vocation are important, but we also need to ask whether it is possible for Christians to gamble without falling into sin. Can we say that those who gamble only for recreation demonstrate distrust for God? When gambling is used for entertainment, does it necessarily deny the goodness of vocation? May one who is trying to lead a godly life participate in gambling?

3. Denial of Stewardship

Greed and distrust of God are not the only concerns that gambling raises. Many people claim that they gamble for excitement and entertainment -- from the spectacle of a crowded casino to the thrill of watching a close finish in a horse race. But even when used as entertainment, gambling poses risks for Christians who are trying to lead godly lives. Perhaps foremost among these risks is that gambling can hinder us from being good stewards of what God has given us.

A. Stewardship of time

As stewards, we are accountable to God for all that we have been given, including our time. This does not mean that we have to work all the time; indeed God commands a sabbath rest, and blesses us with the gifts of laughter and play. But like any gifts, rest and entertainment can be abused and become inordinate. What first occupied a small part of our life, as one among many forms of recreation, can become an obsession. The hours we spend at this "entertainment" take us away from family and friends, from work and the life of faith. The former diversion now

becomes the center of our life. Although any form of recreation can turn into an obsession, gambling seems particularly prone to this danger: small wins lead to hopes that a big payoff is just around the corner, with only one more quarter in the slot machine, one more hand of poker, or one more race at the track.

B. Stewardship of possessions

As we are accountable to God for our time, so we are also accountable for how we use our possessions. As good stewards, we have a duty not to squander what we have been given. Because few people gamble without losing, the risk of squandering money is always present. When the money that we spend on gambling interferes with our other financial obligations, and especially when gambling takes funds that we need to care for those who depend on us, we have failed to be good stewards.

4. Christian Freedom and the Vulnerable

Insofar as gambling is entangled with greed, hopelessness, selfishness and careless stewardship, it is an activity that is incompatible with the godly life. If our gambling can avoid these vices or "desires of the flesh" (Gal. 5), however, then gambling belongs within the broad area of Christian freedom. This analysis leads us to conclude, in the words of the 1984 ALC statement on gambling, that "there are no biblical or theological grounds for any absolute prohibition of gambling." Gambling is not intrinsically wrongful. It belongs to each Christian to decide whether he or she can, in good conscience and without self-deception, participate in gambling.

The fact that gambling is not intrinsically wrongful does not, however, mean that gambling is a matter of indifference. The Christian's freedom is quite different from the freedom that the modern world proclaims. Where others might assert their liberty to act in any way they see fit, so long as it is not prohibited, the Christian's freedom is always the freedom to be a good steward of God. In addition to the stewardship of our time and resources, we are also called to be stewards -- caretakers -- of one another. Cain's question to God is met with the Christian's response: we are our brothers' and sisters' keepers.

In 1 Corinthians, St. Paul instructs Christians on the proper meaning of Christian liberty: "take care that this liberty of yours does not somehow become a stumbling block to the weak" (8:9). And again, "'All things are lawful,' but not all things are beneficial. 'All things are lawful,' but not all things build up" (10:23). At the very least, as Christians we should be concerned when we use our freedom in activities that impose great costs on others, especially on those who are vulnerable. In the next three sessions we will turn our attention to just those concerns.

For Discussion

An important theme of this session has been that gambling may lead people into sin, but one who gambles does not necessarily sin. While this view follows the 1984 ALC Statement, some believe that it "splits hairs" and gives insufficient attention to the dangers posed by gambling. If the risk of falling into sin is significant, and the harms caused by the sin are substantial, then why

doesn't the church simply say that gambling is wrong? Is "Christian freedom" so important that we should take the risk of giving an unclear word about the moral dangers of gambling?

If gambling is not intrinsically wrong, then why not use it to bring about good consequences? In fact, can't one say that our whole economic system is based on the benefits achieved by mutual self-interest? People are more willing to part with their money when they have a chance of winning more, so shouldn't churches and other beneficial organizations use this tactic in fundraising?

A 1993 ELCA Stewardship guide writes:

Games of chance have no place in the life of a congregation. Congregations, like governmental entities, may see such games as a quick, easy means of raising funds. These games send adverse messages regarding the value of giving and financial stewardship. Games are based on the principle of receiving a high return for a low investment. Luck, instead of thankfulness, need, compassion or commitment, is the guiding principle.

Do you agree? Are there other forms of church fundraising that hold similar dangers?

Why should we be responsible for the voluntary decisions that others make? A thief takes money from people without their consent; but in gambling people participate voluntarily. While we may think it wrong to use our own money or time for gambling, why should we interfere with what other people want to do with their own money or time?

In his Large Catechism, Luther gives an expansive interpretation to the seventh commandment, "You shall not steal." He writes:

On one hand, we are forbidden to do our neighbor any injury or wrong in any way imaginable, whether by damaging, withholding, or interfering with his possessions and property. We are not even to consent to or permit such a thing, but are rather to avert and prevent it. On the other hand, we are commanded to promote and further our neighbor's interests, and when he suffers want we are to help, share, and lend to both friends and foes.

Do you agree with Luther's account of our stewardship obligations for one another? How would this change the way that you "do business"? How might it affect your attitudes toward gambling?

Session 3: The Vulnerability of Gambling

In assessing how we exercise our freedom with respect to gambling, the Christian's most obvious concern should be for those who are compulsive gamblers -- people for whom gambling has obviously become a "stumbling block." Compulsive gambling, also known as pathological gambling, is a recognized psychiatric disorder indicated by "a continuous or periodic loss of control over gambling; a preoccupation with gambling and with obtaining money with which to gamble; irrational thinking; and a continuation of the behavior despite adverse consequences." Mental health experts add two important elements to this description: first, compulsive gambling

is a progressive addiction, meaning that the gambler tends to seek more frequent and higher wagers in order to achieve the same "high"; and second, there is significant (though contested) evidence that an increase in legalized gambling tends to be accompanied by an increased rate of compulsive gambling. One study of gamblers in Iowa showed that the rate of compulsive gambling rose from 1.7 percent in 1989 (before casinos were introduced) to 5.4 percent of the adult population in 1995 (after several years of casino operation).

Although studies of the extent of compulsive gambling continue to be hotly debated, particularly in terms of their research methodologies, nearly all who have studied gambling-related issues agree that some portion of the population, ranging from 1 to 5 percent, can be classified as a compulsive gambler for at least part of their lifetime.⁽¹³⁾ Though the vast majority of people can gamble without risking addiction, even the lowest estimate -- 1 percent -- means that compulsive gambling affects, either directly or indirectly, a substantial number of people. The direct burden, of course, falls most heavily on the compulsive gambler and those closest to him. Relationships already strained by the gambler's obsession can break, both from the lies told to cover up the addiction, and from the severe financial harm that the addiction almost invariably causes. Borrowing on credit cards, against mortgages and life insurance policies, and finally from friends, the gambler can sustain her habit for some -- and perhaps even a long -- time; but the house of cards finally collapses. Under the strain of personal and financial crises, compulsive gamblers frequently suffer from severe depression, seem to be more likely to harm their spouses and children, and, as recurrent studies and stories tell us, too often take their own lives.

Magnifying the impact of these direct burdens are the significant indirect costs of compulsive gambling. Some of these costs can be hard to quantify (such as the effects of increased divorce or suicide) but others are readily apparent. Perhaps most significant in this respect is the fact that compulsive gamblers often turn to crime to support their habit. Though some street crime may stem from gambling addiction, more common are so-called "white collar crimes": embezzling funds from an employer, writing bad checks, or filing fraudulent insurance claims. In addition, the bankruptcies resulting from compulsive gambling represent a loss not only to the gambler and his family, but also to those who lent money to the gambler (who frequently receive little or nothing in return), and to society as a whole. Estimates vary widely of the total cost to society of one problem gambler -- costs that include higher insurance premiums because of fraud and crime, higher costs for the criminal justice system, unpaid debts, etc. -- with some estimates ranging into the tens of thousands of dollars per year.

While the gambling industry has funded studies on problem gambling and occasionally supports treatment for those who are addicted, its attitude toward compulsive gambling is ambiguous at best. Though statistics vary, a number of studies show that a small number of gamblers account for a significant portion of gambling wagers and revenues. Between ten and twenty percent of those who gamble, whether on lotteries or in casinos, make up as much as sixty-five percent of gambling revenues. Of course not all who gamble significant amounts of money can be considered compulsive gamblers, but common sense tells us that the small number of heavy gamblers contains a significant share of the compulsive gamblers. As gambling venues multiply, competition among casinos for the heavy gamblers' business grows more intense and more sophisticated. Heavy advertising is targeted at "hard-core gamblers," even as many try to quit.

Lotteries switch to faster and more exciting games, and casinos entice heavy gamblers by providing them with free food, entertainment, rooms, and drinks.

For Discussion

Do you know someone who has been addicted to gambling?

What games were they addicted to playing?

What have been the consequences of their addiction?

What, if anything, has led them to stop gambling?

Does your congregation (or one in your area) minister in any direct way to those who are addicted to gambling, or to the families of those who are addicted?

How might such a ministry be started or improved?

Consider inviting as a speaker someone who provides ministry to addicted gamblers.

Like any addiction, gambling raises complicated questions about moral responsibility. The addict feels overwhelmed by the impulse to gamble; exertions of willpower alone seem incapable of resisting the temptation to gamble. Does this "bondage" to gambling diminish the addict's responsibility for his or her actions? What danger do you perceive, on the other hand, of changing from the language of sin to the language of mental disorder?

If it is wrong for casinos and states to depend on gambling addicts for their profits, then isn't it wrong to profit from selling alcohol to those at risk of alcoholism, or cigarettes to those who are addicted to smoking? Why might gambling be different than alcohol or other addictive substances?

Many people argue that even though up to five percent of the population may become addicted to gambling, ninety-five percent can gamble without becoming addicted, and they should be free to do so if they please. Do you think that the risk and costs of addiction are sufficient to justify a prohibition on gambling?

Session 4: Lotteries, the Poor, and the State

The modern experience of state-run lotteries in this country begins with New Hampshire in 1964. In a story that would be repeated across the country, New Hampshire faced a difficult choice: either raise taxes or institute a lottery. To politicians and citizens alike, the choice was, and has continued to be, an easy one. In 1996, states earned well over \$10 billion from lotteries. Where tax increases generate predictable hostility, the lottery offers a "voluntary tax"; revenue pours into public treasuries from the pockets of willing participants. With this combination of increased revenues without new taxes, few should be surprised that lotteries have spread to all but a handful of states. But easy choices, as we all know, are not necessarily the right choices. St. Paul's admonition that we not use our liberty at the expense of the vulnerable is especially appropriate here.

Our foremost concern with lotteries is their impact on the poor. As studies have shown -- including those conducted by lotteries themselves -- poor people spend a much larger proportion of their income on the lottery than do those in middle- or upper-income brackets. In fact, recent studies suggest that the poor spend more on the lottery in absolute, not merely proportional, terms. If we conduct state lotteries principally because they raise public funds, then lotteries seem to violate our strong commitment to progressive taxation -- the idea that those who are better able to pay should bear a greater portion of public burdens. At the very least, the costs of our common projects should not fall disproportionately on the poor.

The lotteries' defenders respond that this charge of "regressive taxation" implies that the poor are coerced, when no one is forced to play. While true, the defense underestimates the significance of lottery advertising, which tends to undercut the stress on voluntariness. The state does not merely tolerate lottery expenditures, as it does with other "sin tax" items like alcohol and cigarettes; the state actively encourages people to play. Unless state law requires the lottery to disclose the true odds of winning (and few do), lottery ads generally overstate or obscure the chances of winning, in order to make the worst bet in gambling seem attractive. Black jack tables return 98% of the wagered money back to winners, and casino slot machines return 92%, but lotteries generally pay out around 50% of the amount wagered. And the odds of winning a large jackpot are astronomical (up to 1 in 80 million for certain multi-state lotteries). A person who buys a ticket in that lottery is forty times more likely to be hit by lightning than to win the jackpot.

Beyond misrepresented odds, lottery advertisers target the poor in ways that are particularly troubling. Lottery ads prey on a sense of economic hopelessness, claiming to offer a real chance of financial success -- a chance that work and saving, the message seems to suggest, cannot provide. Ads promise to take you from "your street to easy street," or show pictures of people who go from tattered clothes one moment to tuxedos, champagne and expensive cars, proclaiming "It could happen to you!" The lotteries' claim that "there is nothing wrong with dreaming" becomes even more suspect in light of their advertising strategies. Billboards and radio commercials focus on lower-income areas and markets, while ad campaigns and new games are timed to coincide with the release of government benefit checks. Lotteries are sold the same way as any other product: identify likely consumers, then stimulate their desire.

Of course, the lottery isn't just another product, and the state isn't just another business. First, to say the least, it is something of an anomaly that the state, which we believe to be God's instrument for achieving the temporal common good, now promotes greed and denigrates work and saving. As social commentators William Galston and David Wasserman write, "The state's promotion of gambling belies its commitment to reducing the influence of morally arbitrary factors on the lives of its citizens and to supporting the virtues of thrift, hard work, and responsibility." Second, the deceptive nature of lottery advertising contributes to a general and corrosive distrust for the word of government officials. Third, by raising revenues through lotteries -- the "easy way"-- public officials bypass an important step in political accountability: decisions about taxation provide an occasion for debating the proper functions and objects of government. Where something needs be done for the common good, the community should fund it; but if the community is unwilling to support a particular project, then we should seriously question the state's justification in pursuing it. And fourth, the lottery represents a betrayal of the state's special responsibility for the vulnerable. Through deception and by preying on their desperation, the state takes from the poor what they can little afford to give.

Despite these concerns, there seems little chance for returning to an era when states did not promote gambling. As we have seen over the last few years, compulsive gamblers are not the only ones who are addicted: given the general anti-tax atmosphere, state officials have come to depend on lottery revenues in their budgeting. The problem is that lottery revenues are not always dependable, especially as additional forms of gambling come on the scene. When lottery revenues start to decline, officials look to more exciting games: in the 1970s this meant weekly and then daily drawings, and finally instant games. In the late 1980s and through the 1990s, even those games began to fail to hold players' attention, so lotteries have turned to even faster games like keno and video lottery. And the faster games do generate revenues: South Dakota's video lottery terminals account for a significant majority of the state lottery's revenues, and a 1996 Oregon study noted that video poker revenues in a two-year period were more than the total state lottery revenues from the six years before the video games were introduced. The increased revenue may be a blessing to the state treasury, but it seems to have been a curse to pathological gamblers. At more than ten games a minute, gamblers liken the machines to "crack" cocaine -- quick to addict and quick to bring the addict to ruin. That states would rush to supply these machines, especially under the deceptive cloak of a "lottery," gives further evidence of the problems noted above.

For Discussion

Identify and discuss the aspects of your state's lottery:

Does your state have a lottery?

Are the lottery revenues "earmarked" for particular programs? Which ones?

If so, what kinds of games does it offer?

numbers (pick 3, pick 4)?
scratch cards?

Does the lottery use electronic games as well?

Video lottery terminals?
keno?

Have you ever played the lottery? Why did you play?

Pay attention to lottery advertising during the coming week.

How many print ads did you see -- newspapers or magazines? Billboards? Radio or television ads?

What messages did those advertisements convey? Does your state limit the type of messages that lottery advertising can use?

Count the number of stores, restaurants and gas stations you patronize this week that sell lottery tickets or have video lottery. Does the number surprise you?

Do you think it is wrong to sell lottery tickets, or to offer video lottery games? If you owned a store or restaurant, would you offer lottery games -- knowing that it is a significant source of revenue for the business?

Much of states' enthusiasm for gambling has been driven by the revenue that gambling (and especially the lottery) generates; coupled with a pervasive hostility to tax increases. Any restriction or elimination of lotteries would probably require some tax increases. Would you be willing to support such increases? Is so, why? If not, why not?

As the discussion of lotteries indicates, our special responsibility toward the vulnerable is not the only reason for concern about gambling. We should also question its place in the economic common good. Proponents of gambling invariably appeal to economic benefits -- increased

public revenues or economic development -- to justify introducing new forms or expanding existing forms of gambling. These benefits are tangible and attractive, particularly in depressed areas such as Gary, Indiana, East St. Louis, Illinois, and Tunica County, Mississippi. Gambling promoters promise tax revenues on casino profits (usually around twenty percent) and most importantly jobs in building and operating the casinos. These jobs, in turn, will have a ripple effect in the local economy as casino employees spend their wages in local restaurants, car dealers, and furniture stores. In addition, localities that introduce gambling frequently hope for even more: that they will become the next Las Vegas -- a resort destination where tourists spend their money not only on gambling but throughout the local economy.

These benefits, however, come with serious economic costs. We have already seen the potentially high costs of compulsive gambling, which are likely to rise with greater opportunities for gambling. Though it is difficult to connect directly with compulsive gambling (except by anecdotal evidence), many areas that have introduced casino gambling have seen marked increases in their crime rate. Even though gambling supporters explain the increased crime rate by the rise in visitors to the gambling area, the higher rate still represents additional costs -- in police officers, courts, and jails -- that must be paid by the locality.

Localities that have attempted to mitigate these costs by placing limits on gambling, such as maximum losses per visit, restricted floor space for machines (which are believed to be more addictive), or lower stakes, have seen these limits pressed and frequently removed. When Iowa introduced riverboat gambling in 1989, gambling was sold as a sidelight to the main tourist attraction of the boats. Losses were capped at \$200 per cruise, and wagers were limited to \$5. Sensing that they were going to lose money to Iowa, the Illinois legislature voted (within a year) to approve riverboat gambling as well -- and Illinois upped the ante: it would permit unlimited gambling on its boats. Mississippi legislators agreed to a similar measure the same year. A year after they opened in Iowa, two boats left for more lucrative waters in Mississippi, and other boat owners claimed that Illinois competition would drive them out of business. So the Iowa legislature removed the restrictions. In a competitive gambling market, self-imposed limitations will be difficult to sustain.

The Iowa experience teaches another story about gambling and economic development. Iowans were persuaded that gambling would offer cities like Bettendorf and Davenport a chance to develop as tourist attractions. For a few years, things went pretty well. Boats along the Mississippi drew gamblers from Chicago and prospered. But then casinos opened in Illinois, and Chicagoans could (and did) drive the shorter distance to Joliet. Now, the Iowa boats -- and nearly all other casinos across the Upper Midwest -- draw only a local clientele. The economic difference for Iowa can hardly be overstated. Before, gambling served in large part as an export industry. Outsiders brought income into Iowa localities, and left most of the social costs of gambling (especially those associated with addiction) back home. But with competition from surrounding states (South Dakota, Minnesota, and Illinois), the export industry has greatly diminished. Now, the casinos draw money out of the local economy: money that would otherwise be spent on cars, appliances, and restaurant meals. And by reducing the non-gambling money that people spend, casinos will also reduce employment in the surrounding area. In addition, the social costs of gambling remain in the locality.

As with lotteries, however, states are not likely to give up on gambling anytime soon. Even if other jobs are taken out of the economy, state tax rates on casinos are generally higher than on other areas of the economy, so any reduction in tax revenue will be offset, at least in the short term. The competition between Iowa and Illinois suggests another reason why states will not abandon gambling, even when they recognize its costs: states know that if they prohibit gambling that nearby states permit, their citizens will simply gamble in that jurisdiction -- taking money out the home economy, and yet returning home with the social costs of gambling.

While we should be circumspect in making predictions about gambling's future as a tool for economic development -- such predictions fall outside the church's special competence, and are difficult even for experts -- several factors are worth mentioning. First, while Las Vegas continues to enjoy robust economic growth, the other major gambling center, Atlantic City, continues to stagnate. Second, the first attempt at bringing casinos into a thriving metropolitan area (apart from Las Vegas) is far from a complete success. In New Orleans, several riverboat casinos have moved, and the major downtown casino remains unfinished. Third, and not frequently noted in the literature on gambling: the spread of gambling in the last five years has occurred during a sustained period of national economic growth. Many people have had discretionary income to spend, and they have spent it on gambling. Whether or not they would gamble at anywhere near current rates during a recession remains to be seen.

For Discussion

1. William Eadington has argued that the debate over gambling has been somewhat misplaced. Even if gambling does not generate economic benefits for a locality, but merely shifts money from some uses to others, this shift is independently -- indeed morally -- justified as a product of individual choice.

If one assumes gambling is as legitimate as any other consumer pursuit, then if consumers are not allowed to participate in the activity in spite of the fact that they would freely choose to do so, there is a net reduction in consumer well-being.

In short, he argues that restraints on gambling interfere with consumer sovereignty. Or, in moral terms, such restraints are "paternalistic": in prohibiting or restricting gambling, the state acts toward its citizens the way parents act toward their children -- deciding what is and what is not in their best interests.

Even if one agrees that "consumer sovereignty" is an independent value -- and because of our understanding of stewardship, Christians should have significant reservations about that -- state paternalism can be justifiable nevertheless. Where individual decisions repeatedly fail to take into account the costs that they impose on other people and on society as a whole (what economists call "negative externalities"), public regulation is sometimes needed to control those costs.

Do you think Christians should encourage regulation of gambling? If new forms of gambling were being introduced in your community, would you oppose or support them? Why?

2. We have thus far only mentioned the question of whether Christians may be employed in the gambling industry, and now need to address it more directly. On one side, of course, are the concerns we have raised about gambling and its effect on those who are vulnerable and on the common good. On the other side, however, is the reality of economic life in many areas that have introduced gambling. People who accept work in casinos may have few alternatives for supporting their families. What advice would you give someone who had been offered a job in a casino?

3. Should the same concerns apply to those who invest in gambling enterprises? Does the wide range of alternative investments change your analysis?

Session 5: Gambling and the Economic Common Good

As the discussion of lotteries indicates, our special responsibility toward the vulnerable is not the only reason for concern about gambling. We should also question its place in the economic common good. Proponents of gambling invariably appeal to economic benefits -- increased public revenues or economic development -- to justify introducing new forms or expanding existing forms of gambling. These benefits are tangible and attractive, particularly in depressed areas such as Gary, Indiana, East St. Louis, Illinois, and Tunica County, Mississippi. Gambling promoters promise tax revenues on casino profits (usually around twenty percent) and most importantly jobs in building and operating the casinos. These jobs, in turn, will have a ripple effect in the local economy as casino employees spend their wages in local restaurants, car dealers, and furniture stores. In addition, localities that introduce gambling frequently hope for even more: that they will become the next Las Vegas -- a resort destination where tourists spend their money not only on gambling but throughout the local economy.

These benefits, however, come with serious economic costs. We have already seen the potentially high costs of compulsive gambling, which are likely to rise with greater opportunities for gambling. Though it is difficult to connect directly with compulsive gambling (except by anecdotal evidence), many areas that have introduced casino gambling have seen marked increases in their crime rate. Even though gambling supporters explain the increased crime rate by the rise in visitors to the gambling area, the higher rate still represents additional costs -- in police officers, courts, and jails -- that must be paid by the locality.

Localities that have attempted to mitigate these costs by placing limits on gambling, such as maximum losses per visit, restricted floor space for machines (which are believed to be more addictive), or lower stakes, have seen these limits pressed and frequently removed. When Iowa introduced riverboat gambling in 1989, gambling was sold as a sidelight to the main tourist attraction of the boats. Losses were capped at \$200 per cruise, and wagers were limited to \$5. Sensing that they were going to lose money to Iowa, the Illinois legislature voted (within a year) to approve riverboat gambling as well -- and Illinois upped the ante: it would permit unlimited gambling on its boats. Mississippi legislators agreed to a similar measure the same year. A year

after they opened in Iowa, two boats left for more lucrative waters in Mississippi, and other boat owners claimed that Illinois competition would drive them out of business. So the Iowa legislature removed the restrictions. In a competitive gambling market, self-imposed limitations will be difficult to sustain.

The Iowa experience teaches another story about gambling and economic development. Iowans were persuaded that gambling would offer cities like Bettendorf and Davenport a chance to develop as tourist attractions. For a few years, things went pretty well. Boats along the Mississippi drew gamblers from Chicago and prospered. But then casinos opened in Illinois, and Chicagoans could (and did) drive the shorter distance to Joliet. Now, the Iowa boats -- and nearly all other casinos across the Upper Midwest -- draw only a local clientele. The economic difference for Iowa can hardly be overstated. Before, gambling served in large part as an export industry. Outsiders brought income into Iowa localities, and left most of the social costs of gambling (especially those associated with addiction) back home. But with competition from surrounding states (South Dakota, Minnesota, and Illinois), the export industry has greatly diminished. Now, the casinos draw money out of the local economy: money that would otherwise be spent on cars, appliances, and restaurant meals. And by reducing the non-gambling money that people spend, casinos will also reduce employment in the surrounding area. In addition, the social costs of gambling remain in the locality.

As with lotteries, however, states are not likely to give up on gambling anytime soon. Even if other jobs are taken out of the economy, state tax rates on casinos are generally higher than on other areas of the economy, so any reduction in tax revenue will be offset, at least in the short term. The competition between Iowa and Illinois suggests another reason why states will not abandon gambling, even when they recognize its costs: states know that if they prohibit gambling that nearby states permit, their citizens will simply gamble in that jurisdiction -- taking money out the home economy, and yet returning home with the social costs of gambling.

While we should be circumspect in making predictions about gambling's future as a tool for economic development -- such predictions fall outside the church's special competence, and are difficult even for experts -- several factors are worth mentioning. First, while Las Vegas continues to enjoy robust economic growth, the other major gambling center, Atlantic City, continues to stagnate. Second, the first attempt at bringing casinos into a thriving metropolitan area (apart from Las Vegas) is far from a complete success. In New Orleans, several riverboat casinos have moved, and the major downtown casino remains unfinished. Third, and not frequently noted in the literature on gambling: the spread of gambling in the last five years has occurred during a sustained period of national economic growth. Many people have had discretionary income to spend, and they have spent it on gambling. Whether or not they would gamble at anywhere near current rates during a recession remains to be seen.

For Discussion

1. William Eadington has argued that the debate over gambling has been somewhat misplaced. Even if gambling does not generate economic benefits for a locality, but merely shifts money

from some uses to others, this shift is independently -- indeed morally -- justified as a product of individual choice.

If one assumes gambling is as legitimate as any other consumer pursuit, then if consumers are not allowed to participate in the activity in spite of the fact that they would freely choose to do so, there is a net reduction in consumer well-being.

In short, he argues that restraints on gambling interfere with consumer sovereignty. Or, in moral terms, such restraints are "paternalistic": in prohibiting or restricting gambling, the state acts toward its citizens the way parents act toward their children -- deciding what is and what is not in their best interests.

Even if one agrees that "consumer sovereignty" is an independent value -- and because of our understanding of stewardship, Christians should have significant reservations about that -- state paternalism can be justifiable nevertheless. Where individual decisions repeatedly fail to take into account the costs that they impose on other people and on society as a whole (what economists call "negative externalities"), public regulation is sometimes needed to control those costs.

Do you think Christians should encourage regulation of gambling? If new forms of gambling were being introduced in your community, would you oppose or support them? Why?

2. We have thus far only mentioned the question of whether Christians may be employed in the gambling industry, and now need to address it more directly. On one side, of course, are the concerns we have raised about gambling and its effect on those who are vulnerable and on the common good. On the other side, however, is the reality of economic life in many areas that have introduced gambling. People who accept work in casinos may have few alternatives for supporting their families. What advice would you give someone who had been offered a job in a casino?

3. Should the same concerns apply to those who invest in gambling enterprises? Does the wide range of alternative investments change your analysis?

Session 6: Gambling on American Indian Reservations

In 1996, revenue from gambling on American Indian reservations amounted to almost five and a half billion dollars, more than was earned by Atlantic City casinos. This revenue brought Indian tribes nearly \$2 billion in profits. Some of this money has been distributed to tribe members or used to improve health care, infrastructure, and education on reservations, or used to repurchase ancestral lands. According to the National Indian Gaming Commission, 182 tribes were operating 274 gaming facilities in 1996. Gambling on reservations has clearly become a significant part of the nation's gambling picture.

Were we only to consider its size, American Indian gambling would simply fall within our earlier analyses of moral and economic concerns, analyses that have led us to significant concerns

about gambling. But we deal with tribal gambling in a separate section for reasons of law and history, reasons that make our analysis somewhat more complicated. Under our legal system, American Indian tribes have a distinctive status as "domestic dependent nations." To understand this label and its history is to understand much about the complex relationship between Indian nations, the Federal government, and the state government. The phrase contains a three-fold paradox: tribes are simultaneously "nations," and thus entitled to the self-determination that sovereignty entails; "domestic," indicating a different understanding of sovereignty than that recognized in foreign nations -- and more consistent with the independence of states in our federal system; and "dependent," representing the special fiduciary obligations owed by the federal government to the American Indian peoples.

The "dependent" aspect of this phrase dominated governments' attitudes toward American Indians through the nineteenth and well into the twentieth century. And as we all should know, the history of our governments' dealings with the Indian tribes has largely been a history of abuse of this trust relationship. Through obliteration, forced removal or assimilation, and gross mismanagement of tribal funds and resources, American Indians' vulnerable dependence has been rewarded with everything but due care. In the last half-century, however, emphasis has shifted to the first aspect: nationhood and sovereignty. Through legislation and judicial decisions, Indian peoples' rights of self-determination, especially on reservation property, have generally been reaffirmed.

Tribal gambling must be seen in light of this movement toward greater self-determination. Recognizing that few other sources of revenue offered hope, at least in the short term, of providing economic independence, some tribes began turning to gambling during the 1970s (paralleling states' moves in the same direction). (It is important to note here that many Indian tribes have not adopted gambling, and some members of tribes that have adopted gambling continue to question the wisdom of that decision.)

The legal story gets a bit complex at this point, but it's worth following: if their moral justification rested on the right of self-determination, the tribes offered a well-grounded legal defense as well. Since the 1950s, both Congress and the federal courts had struck something of a compromise between Indian sovereignty and state claims of jurisdiction over tribes in their midst. Where a state prohibits a particular activity under its laws, then the state may prohibit that activity on tribal lands as well; but where the state only regulates how that activity is conducted, then the tribe -- and not the state -- has power to regulate the activity on reservation lands. Because most states permitted bingo for charitable purposes, tribes started offering high-stakes bingo games during the late 1970s and early 1980s. When states sought to close down these bingo games for violating state rules on licensing, the value prizes, and operating hours, the tribes went to the federal court for protection. In a series of cases starting in the early 1980's and culminating in the U.S. Supreme Court's decision in *California v. Cabazon Band of Mission Indians*, the federal courts reaffirmed the earlier compromise and supported American Indian peoples' right to conduct gambling operations that were not prohibited under state law.

After *Cabazon*, gambling on American Indian reservations increased dramatically, both in terms of the tribes participating and the games offered. Though bingo still remained the most common form of gambling, a number of tribes opted for full casino-style gambling, including card games

and slot machines. These tribes found their justification in the fact that many states permit charities to hold "Casino Nights." Where the state does not prohibit that type of gambling, tribes may regulate it as they see fit; so the tribes chose to "regulate" by opening their own casinos.

The next year, and under heavy pressure from the states to clarify the Cabazon decision, Congress passed the Indian Gaming Regulatory Act (IGRA). In addition to restating the basic principle announced in Cabazon (once a state permits a form of gambling, it may not regulate American Indians' use of that form of gambling), IGRA establishes federal oversight over Indian gambling (principally through the National Indian Gaming Commission), and also provides a structure for allowing state input into the approval process when tribes seek to adopt casino-type gambling. As one might predict, neither the tribes nor the states were happy with the outcome. The tribes felt that IGRA infringed on their sovereignty by requiring them to reach agreements (compacts) with states before opening casinos. And the states felt that Congress was forcing more intense gambling on them than they desired. State governments challenged IGRA's provision that allowed tribes to force states (through federal court lawsuits) to negotiate gambling compacts. And in *Seminole Tribe v. Florida*, the Supreme Court held that the compact provision violated the states' rights under the constitution. *Seminole Tribe* has not turned things in the states' favor, however. Both federal courts and the Department of the Interior (which administers IGRA) have ruled that once the compact provision is thrown out, tribes that cannot reach voluntary agreements with states need only receive permission from the Secretary of the Interior to open casinos.

Why should this convoluted legal tale be of special interest to Christians? On one hand, American Indian gambling raises concerns that are no different from non-Indian gambling. Tribal gambling increases the opportunities for compulsive gambling; and specific practices in tribal casinos offer no less encouragement for pathological gamblers than do non-Indian casinos. In addition, the economic consequences of tribal gambling seem consistent with the experience in other gambling markets: the casinos (and reservations) certainly profit from gambling; local areas receive some economic gain from the casinos (due principally to employment opportunities); but the regional impact tends to be ambiguous at best and economically destructive at worst (depending on how one calculates the costs of compulsive gambling). Money one spends in any casino is money that one does not spend on other goods and services in the economy. Since few Indian casinos operate as tourist destinations (unlike the Pequot's Foxwoods casino), most rely on gamblers from within the same state, if not within the same locality.

On the other hand, if any groups are justified in using gambling for economic development, it would be the Indian nations. Stripped of land and resources, many tribes were left in near total dependence on government support for bare subsistence. From their perspective, opposition to tribal gambling provides yet one more instance of oppression: just as with tribal lands a century ago, others seem to covet and resent any form of Indian wealth. The political reality of opposition to American Indian gambling over the last few years often bears out this suspicion: the most vocal opponents often are not those with principled objections to gambling, but the tribes' commercial or governmental competitors. Whether it is a major casino owner suing the federal government to stop Indian gambling, or Rhode Island attempting to forbid an Indian casino that would compete with its own future plans for gambling in the state, or New Mexico

trying to shut down Indian casinos at the same time that it was starting its own lottery, envy seems a predominant reason for opposition.

But not all opposition to Indian gambling should be reduced to envy or hostility. When a number of church leaders, including ELCA Bishop H. George Anderson, petitioned Congress to study the impact of gambling, the Council of Native American Ministries admonished them for undermining Indian sovereignty. "The right of Indian Nations to determine their destiny and economic priorities is a foundational human right." The Council's statement, however (as well as both sides of the struggle between states and tribes over Indian gambling), overlooks the important first term in that ambiguous phrase "domestic dependent nations." Tribal sovereignty is "domestic" sovereignty, a right that is fundamentally and sometimes painfully interwoven with the life of the nation and the individual states.

Christians who examine the question of Indian gambling arrive at what seem to be directly conflicting considerations. On one hand, we recognize the history of federal and state governments' abuses of their power over American Indian tribes, and the important role that the right of self-determination plays in protecting the tribes against such abuses. On the other hand, we worry about the impact of any form of gambling on the vulnerable and on our common good, and are concerned about the expansion of gambling. The compromise solution established by IGRA is not perfect. Aside from general concerns about gambling's effects, many worry that tribes are being exploited by non-Indian gambling companies that own or manage the reservation casinos, although some tribes both own and manage their own gambling establishments. But the current rough compromise does account, at least in part, for our conflicting considerations. If a state chooses -- out of concern for the vulnerable and the common good, which includes American Indians -- to prohibit gambling, then it should be able to prohibit gambling on reservations within its borders as well. However, if a state chooses to permit certain forms of gambling, then American Indian claims of self-determination have greater weight, and tribes should be allowed to regulate their use of those forms of gambling.

For Discussion

Are any American Indian tribes located near your community? Do these tribes offer gambling? If you are an American Indian living on a reservation, does your tribe offer gambling? If so, in what forms?

Do you agree with the compromise solution suggested by the federal laws governing Indian gambling? Some criticize IGRA's prohibition/regulation distinction because they feel that it unfairly privileges Indian gambling over non-Indian gambling. For example, if a state allowed only low-stakes (e.g., no more than \$2 bet) charitable "Casino Nights," tribes within that state would be allowed to operate casinos with no betting limits, should the tribes so choose. Do you think this solution is unfair? Do you think the differing treatments is justified by tribal self-determination?

Here we see again a question posed earlier: if the activity is not inherently wrongful, shouldn't it be used to achieve good consequences -- consequences that have often seemed unavailable by other means?

How can churches (and others) help to offer alternative forms of economic development?

Endnotes

1. The 1996 figures can be found in *International Gaming and Wagering Business* (August 1997). Two different sets of figures are used, which can be confusing at times. The larger figure is called the "wager" or the "handle"; this represents the total amount people bet -- that is, placed at risk. The other figure, net revenue, represents the amount gambling enterprises (whether casinos, state lotteries, etc.) actually earned from the wager. The rest of the money wagered was distributed to gamblers in the form of winnings. For information about the spread of gambling in the United States, using 1995 figures, see "A Busted Flush: How America's Love Affair with casino Gambling turned to Disillusionment," *The Economist* (January 25, 1997), 26-28; Martin Koughan, "Easy Money," *Mother Jones* (July/August 1997), 32-37.
2. "Gambling and the Public Good," Statement of the American Lutheran Church (1984). This statement, which is printed at the end of this study, provides the policy bases underlying this study. Neither the Lutheran Church in America nor the Association of Evangelical Lutheran Churches had a formal statement on gambling.
3. Of these pairs, the last two sets (casino table games and sports or horse track betting) involve some level of skill in assessing the odds. Outcomes of these "games" are not arbitrary in the same way as a lottery or slot machine. But the ultimate outcome still lies outside the bettors' control -- indeed if they were to manipulate the odds by, for example, paying a jockey to hold back, or stacking the deck of cards, they would justly be accused of cheating. See Ronald J. Rychalk, "Video Gambling Devices," *UCLA Law Review*, 37: 555-593 (1990); Ronald J. Rychalk, "Lotteries, Revenues and Social Costs: A Historical Examination of State-Sponsored Gambling," *Boston College Law Review*, 34: 11-81 (1992).
4. The phrase is the title of an article by Gerri Hirshey in the *New York Times Magazine*, July 17, 1994.
5. The following history is drawn from Rychalk, "Lotteries, Revenues and Social Costs," 23-44. See also Robert Goodman, *The Luck Business*, (1995); Charles Clotfelter and Philip Cook, *Selling Hope: State Lotteries in America* (1989); National Institute of Law Enforcement and Criminal Justice, U.S. Department of Justice, *The Development of the Law of Gambling: 1776-1976* (1977); I. Nelson Rose, *Gambling and the Law: Endless Fields of Dreams* (1993).
6. Both the Lutheran Church - Missouri Synod and the United Methodist Church have developed useful study materials on gambling. The Commission on Theology and Church Relations of the LC-MS produced *Gambling* in 1996; this study is available (for seventy-five cents a copy) from Concordia Publishing House, 3558 S. Jefferson Avenue, St. Louis, Missouri, 63118 (or call

800-325-3040). Casino Gambling is produced by the United Methodist Church and copies are available (for free) from the General Board of Church in Society of the United Methodist Church (call 800-967-0880).

7. David Krueger, "Play Money," *Christian Century* (November 11, 1992), 1022.

8. Luther expresses this vision of Christian liberty through his two (seemingly contradictory) propositions: "The Christian is perfectly free lord of all, subject to none. The Christian is a perfectly dutiful servant of all, subject to all." *The Freedom of a Christian, Luther's Works* vol. 31 (trans. W.A. Lambert, rev. Harold J. Grimm, 1957), 344.

9. Evangelical Lutheran Church in America, "Financial Stewardship Strategy: Report and Recommendation," (1993), 35-36.

10. Roger Dunstan, "Gambling in California," *California Research Bureau* (January, 1997): VIII, 2 (quoting Richard J. Rosenthal, *American Psychiatric Association*). See also the *American Psychiatric Association's Diagnostic and Statistical Manual (DSM-IV)*, which provides a list of criteria for identifying compulsive gamblers (at 616-18). See Henry Lesieur, "Compulsive Gambling," *Society* (May/June 1992): 43-44 (describing the test for compulsive gambling under DSM-IV); Peter A. Setness, "Pathological Gambling: When Do Social Issues Become Medical Issues?" *Postgraduate Medicine*, 102/4 (October 1997), 13-18.

11. Sheila Blume, "Pathological Gambling: An Addiction to an Altered Psychological State," *British Medical Journal* 311/7004 (August 26, 1995): 522-23.

12. Rachel Volberg, "Prevalence Studies of Problem Gambling in the United States," *Journal of Gambling Studies*, 12/2 (Summer 1996): 117.

13. William Eadington, "Ethics and Policy Considerations in the Spread of Commercial Gambling," in *Gambling Cultures: Studies in History and Interpretation* (ed. Jan McMillan, 1996), 246-47; John Kindt, "The Economic Impacts of Legalized Gambling Activities," *Drake Law Review* 43 (1994), 73-77.

14. See H. Lesieur and R.J. Rosenthal, "Pathological Gambling: A Review of the Literature," *Journal of Gambling Studies*. 7 (1991) 5-39 (reporting that problem gamblers are 5-10 times more likely to commit suicide than the general population). See also Stephen Braun, "Lives Lost in a River of Debt," *The Los Angeles Times* (June 22, 1997), A-1; Larry Fruhling, "Addiction Leads to Tragic End," *The Des Moines Register* (March 25, 1997), 1-M.

15. Kindt, "The Economic Impacts of Legalized Gambling Activities," 85-86.

16. Kindt, "The Economic Impacts of Legalized Gambling Activities," 60-61; "Busted Flush," *The Economist*, 28; [Oregon] Governor's Task Force on Gambling, *Final Report* (October 4, 1996), 18-19.

17. Clotfelter & Cook, *Selling Hope*, 96; Alan Karcher, *Lotteries* (1989), 39-42; Jennifer Vogel, "The Sting: How the State Lottery Became the Worst Bet in Town," *City Pages* (August 4, 1993),

reprinted in *Crapped Out: How Gambling Ruins the Economy and Destroys Lives* (ed. Jennifer Vogel, 1997), 72-73.

18. "Lottery Picks Split by Race, Income," *Chicago Sun-Times* (June 22, 1997), 2, 24-25.

19. William Galston and David Wasserman, "Gambling Away our Moral Capital," *The Public Interest* (March, 1996).

20. This deception occurs not only in advertising for particular games, but in the way that the lotteries themselves are "sold": by earmarking revenues from lotteries for popular state programs. Even though many states claim that their lottery revenues are directed toward beneficial purposes -- NY's "lottery for education," MN's funding for "the environment" -- close examination of state budgets reveals that lottery funds tend to displace general revenue funds rather than supplement them, meaning that the designated beneficiary often sees little if any benefit from the lottery. Indeed, the beneficiaries may actually suffer: for example, with citizens believing that the schools are benefitting from lottery revenues, they might be less willing to support needed bond issues for new buildings.

21. See the column on state-sponsored gambling in *First Things*, 15 (1991), 22.

22. [Oregon] Governor's Task Force on Gaming, 7.

23. William Eadington, "Economic Development and the Introduction of Casinos: Myths and Realities," *Economic Development Review*, 13/4 (Fall, 1995), 52-53.

24. Kindt, "The Economic Impacts of Legalized Gambling Activities," 72-73 (study of Deadwood, SD); Joseph Shapiro, "Gambling Fever," *U.S. News & World Report*, (January 15, 1996), 60-61; Ronald J. Rychalk, "The Introduction of Casino Gambling: Public Policy and the Law," *Mississippi Law Journal*, 64 (1995), 346-47 (on increased crime in Mississippi counties that have adopted gambling).

25. Goodman, *The Luck Business*, 96-100; John Kindt, "Legalized Gambling Activities: The Issues Involving Market Saturation," *Northern Illinois Law Review*, 15 (Spring, 1995) 271-306.

26. Nearly all gambling researchers agree with this assessment. Some, including John Kindt and Earl Grinols, would go further, however, and argue that when one looks at a national economy (or indeed anything beyond the local region), gambling will always produce negative economic consequences. See, e.g., John Kindt, "U.S. National Security and the Strategic Base: The Business/Economic Impacts of the Legalization of Gambling Activities," *Saint Louis University Law Journal*, 39/2 (Winter 1995) 567-84; Earl Grinols, "Bluff or Winning Hand? Riverboat Gambling and Regional Employment and Unemployment," *Illinois Business Review*, 51/1 (Spring 1994), 8-11.

27. *International Gaming and Wagering*, "The 1996 Gross Annual Wager," (August, 1997).

28. William Eadington, "Calling the Bluff? Analyzing the Legalization of Casino-Style Gaming," *Institute for the Study of Gambling and Commercial Gaming* (1995), 4.

29. International Gaming and Wagering Business, "The 1996 Gross Annual Wager." See also Stephanie Levin, "Betting on the Land: Indian Gambling and Sovereignty," *Stanford Law and Policy Review*, 8/1 (1997), 125-39.
30. National Indian Gaming Commission, Report to the Secretary of the Interior (November, 1996), 1.
31. *Cherokee Nation v. Georgia*, 30 U.S. (5 Pet.) 1, 17-18 (1831). The phrase was first used by Chief Justice John Marshall in this case, which involved the state's claim to all lands then held by the Cherokee people, and eventually resulted, in 1835, in the Cherokees' removal from Georgia along the "Trail of Tears."
32. Though the movement toward greater self-determination is a fair picture of what has happened, the legal story itself is far more ambiguous and complicated. Those interested in the legal developments should read L. Scott Gould's exhaustive treatment in "The Consent Paradigm: Tribal Sovereignty at the Millennium," *Columbia Law Review*, 96/4 (1996) 809-902.
33. *California v. Cabazon Band of Mission Indians*, 480 U.S. 202 (1987); Levin, "Betting on the Land," 126-27.
34. Wisconsin's story is illuminating in this respect. Before 1973, the Wisconsin Constitution prohibited all forms of gambling. That year, the constitution was amended to permit charitable bingo games. In 1975, the Oneida tribe started to hold bingo games under the state's "charitable use" regulations. After favorable court rulings in the early 1980s, the Oneidas converted their game to high stakes bingo. Then in 1987, two months after the Cabazon decision, Wisconsin voters amended the state constitution to permit lotteries and betting on dog races; the amendment was worded in a way that permitted a state lottery to offer any form of gambling. This amendment and the Cabazon decision opened the door for casino gambling on reservations. Once the state no longer prohibited gambling, the tribes gained the power to regulate it on their own reservations. See Wisconsin Public Policy Institute Report, "The Economic Impact of American Indian Gaming in Wisconsin," 8/3 (April 1995) 8-13.
35. *Seminole Tribe v. Florida*, 144 S.Ct. 1116 (1996).
36. Levin, "Betting on the Land," 127-30.
37. See Wisconsin Public Policy Institute Report, "The Economic Impact of American Indian Gaming in Wisconsin," 21-24.
38. Levin, "Betting on the Land," 134. Jon Magnuson, "Casino Wars: Ethics and Economics in Indian Country," *Christian Century* (February 16, 1994), 169-71.
-