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Title: The Bay State debate: Pros, cons of legal gambling

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Eyeing a potential pot of gold amid a minefield of potential evils, Massachusetts has joined the stampede of cash-strapped states seriously considering an expansion of legalized gambling - namely casinos - to help shrink massive budget deficits.

A tantalizing Harvard study suggests the opening of a Foxwoods-style casino in Southeastern Massachusetts could be a \$750 million moneymaker for the state.

But another widely quoted federal study suggests a witches brew of social ills, including gambling addictions, personal bankruptcies and crime, may swirl around such gaming establishments.

"Do the ends justify the means? I would probably say there is going to be more money coming in (from expanded gaming) than coming out (to pay for potential social problems)," said the Rev. Richard McGowan, an expert on legalized gambling and an associate professor of business strategy at Boston College.

"But how long-term that is going to be will be an interesting question, too," he added.

McGowan is on the 19-member commission recently set up by the governor to examine the politically charged issue of expanding legalized gambling in Massachusetts. The commission is due to report its findings Dec. 31.

Towering over the commission is a mountain of studies on the high-stakes issue. Yet experts on both sides admit conclusive answers to gaming's benefits-vs.-risks question are hard to come by.

"There are surprisingly few independent studies that have addressed issues such as these," concluded the landmark National Gambling Impact Study Commission Report for the federal government in 1999.

"Add to this the fact that many of the studies that do exist were contracted by partisans of one point of view or another, and uncertainty becomes an understandable result," the study said.

Consider the recent Harvard study that concludes Massachusetts could recapture much of the estimated \$750 million spent each year by Bay State residents in Connecticut's two Indian casinos - if Massachusetts builds an Indian casino of its own.

While the authors say they were not compensated for their work, their research relied, in part, on assistance from a high-powered consulting firm that was paid by the Wampanoag Tribe - the Indian group that wants to open a casino in Southeastern Massachusetts.

"The (casino) money is going to be spent in the state, employing people in the state, under terms the state and the tribe will jointly determine, and those things will be beneficial to the state economy and probably to the state treasury," said Jonathan Taylor, a co-author of the study and a member of the state's new commission.

Critics contend the study glossed over gaming's potential downside. Others say the study's projection of a windfall is far too rosy.

"It assumes you are going to recapture all of the people going down to Connecticut and that's not going to happen. Both Mohegan Sun and Foxwoods have a huge first mover advantage - they were the first ones on the market," said BC's McGowan, who said he accepts no gaming industry funding for his research.

McGowan also said state leaders should carefully consider whether adding casinos would siphon revenues away from The Lottery. Massachusetts keeps 100 percent of Lottery profits and distributed \$769.6 million of that revenue last year to cities and towns.

While financial experts debate how much money Massachusetts could make by adding casinos, others insist the price tag of social ills would be far too high.

"It would result in more gambling problems for folks who might try gambling, who wouldn't make the trip to Foxwoods, or Las

Vegas or Atlantic City, and may have a particular vulnerability," said Kathleen Scanlan, a member of the state's new commission and the executive director of the Massachusetts Council on Compulsive Gambling, a nonprofit funded by The Lottery.

"Thirty percent of the callers to our help line who call about a gambling problem will tell us their problem is casino gambling in Connecticut," Scanlan said.

Whether the addition of gaming facilities increases gambling addictions is the subject of fierce debate and few answers.

The University of Chicago's National Opinion Research Center found the presence of a gambling facility within 50 miles roughly doubles the prevalence of problem and pathological gamblers.

The NORC study was commissioned by the federal government for its 1999 Gambling Impact Study Commission Report.

But critics of the NORC research say it used flawed methodology. They say the study did not accurately measure whether increased gaming opportunities actually increased nearby addictions or whether problem gamblers simply moved closer to the facilities.

"Is the gambling causing some of these problems, or is a problem (people) have, the depression, causing the gambling? It's a chicken and egg question," said Christine Reilly, executive director of the Institute for Research on Pathological Gambling and Related Disorders at Harvard Medical School.

Reilly's institute is funded by the the National Center for Responsible Gaming, a nonprofit funded by the casino industry.

The government's Gambling Impact Study found it hard to put a definitive price tag on gambling's social costs to society, saying many studies show most problem gamblers also suffer other ills, such as alcoholism or depression. Isolating the effect of problem gambling, let alone proving a cause and effect relationship, it said, is tough.

However, the study did estimate that problem and pathological gambling cost the United States an annual \$5 billion in job losses, unemployment benefits, welfare benefits, poor physical and mental health, and gambling treatment.

The study said that figure was probably a low estimate because researchers "did not attempt to estimate the financial costs of any gambling-related incidences of theft, embezzlement, suicide, domestic violence, child abuse and neglect, and the nonlegal costs of divorce."

Experts on both sides seem to agree that the vast majority of adults in the United States do not have a gambling problem. Between 94.5 percent to 97 percent of Americans are believed to have gambled without running into a problem.

But agreement evaporates when it comes to the question of gaming's potential impact on crime.

The government's 1999 Gambling Impact Study Commission Report and a follow-up in 2000 by the federal General Accounting Office noted plenty of anecdotal evidence of pathological gambling resulting in increased crime, such as embezzlement, prostitution, robberies and assaults, in addition to family problems, including domestic violence, child abuse, divorce and homelessness.

Yet both studies concluded there wasn't enough hard data to definitively say whether gaming caused more crime.

That's not the way the executive director of the Massachusetts Council of Churches sees it.

"How many people who get charged with embezzlement have been using the money for addictive gambling? Does the government want to be in the business of promoting even further situations that exacerbate these social problems?" said the Rev. Diane Kessler.

The council is opposing any expansion of legalized gambling.

Yet at least one top addictions expert says many are forgetting to consider gambling's potentially positive health impacts.

"For example, gambling can provide a sense of connectedness and socialization through discretionary leisure time entertainment," writes Howard Shaffer, director of Harvard Medical School's Division on Addictions, in a recent article.

"Like going to a movie, sitting in a pub or participating in physical activity, going to a casino or horse race may provide a healthy change and respite from everyday demands or social isolation. This may be particularly important for adults," Shaffer wrote.

Shaffer is a board member of the nonprofit Center for Responsible Gaming, which is funded by the gaming industry. The center's board membership is balanced between representatives of the gaming industry and leaders from the civic, charitable, educational and public service sectors.

As the Bay State's Gambling Study Commission heads into its final stretch, one Connecticut leader said there are a couple of other key points the group may want to consider.

"Lower-income rentals have become very difficult to find pretty much in all the towns as a direct result of the casinos which, between the two of them, employ nearly 25,000 people," said John Filchak, executive director of the Northeastern Connecticut Council of Governments, a consortium of towns within 30 miles of the state's two casinos, Foxwoods and Mohegan Sun.

One final point. Although Connecticut's two casinos created \$335 million in revenue for the state last year, the state is still struggling with a massive budget deficit.

"It's not a panacea," Filchak said. "It doesn't solve your problems."

Courtesy of www.casinoman.net

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