



FOR IMMEDIATE RELEASE
September 17, 2013

Contact: Jody Wood
jody@americanvalues.org
Cell: 646.660.2061
Office: 212.246.3942

33 Scholars Link State-Sponsored Casinos to Patterns of Economic Inequality

NEW YORK, September 17, 2013—Casino gambling is spreading into the mainstream of American life and unleashing a host of troubling problems: it is harming health, draining wealth from people in the lower ranks of the income distribution, and contributing to economic inequality. These are among the findings of *Why Casinos Matter: Thirty-One Evidence-Based Propositions from the Health and Social Sciences*, a report released today from the Council on Casinos, an independent group of scholars and public policy leaders convened by the Institute for American Values, a New York City-based think tank.

“State sponsored casino gambling creates a stratified pattern that parallels the separate and unequal life patterns in education, marriage, work, and play that increasingly divides Americans into “haves” and “have-nots,” the report says.

Driving this pattern is the rise and spread of a new but little understood institution in American life: the regional casino. Regional casinos are completely different from the resort casinos in Las Vegas, Macau, and other high-end global destinations. They are state monopolies. They are often located in economically struggling communities. They cater to customers who live a short distance away, arrive by car or bus and return frequently.

Casino gambling is no longer limited to a once or twice-a-year vacation, according to the report. It has given way to casino gambling as a once or twice-weekly way of life for a growing number of Americans.

With the spread of regional casinos into economically struggling communities, more working and middle class people are drawn into these facilities. As a consequence, women, low-wage workers, and retirees are contributing a disproportionate share of the states’ take of casino revenues. As states become more dependent on casino revenues as a substitute for more progressive sources of revenue, they are trapped into a regressive policy of taking from the less affluent and rewarding the more affluent.

The technology of gambling has also changed. There are few live table games at the new regional casinos. Most are facilities filled with thousands of slot machines. Today’s modern slot machines are a far cry from the old mechanical one-armed bandits. They are sophisticated computers, programmed to encourage repeat and continuous betting over a prolonged period of

time. People who play slots are more likely to become addicted and to become addicted over a shorter period of time compared to people who play more traditional games.

Regional casinos depend on people who are moderately or severely addicted to slot machines for their revenue base. These problem gamblers account for 40-60 percent of slot machine revenues, according to findings from multiple studies cited in the report.

State sponsorship of casinos is one of the most successful bipartisan public policies in today's politically polarized culture, the report notes. States like Mississippi and Massachusetts may be worlds apart politically, but both have decided, along with 21 other red and blue states, that casino gambling is a good way to win hard-won dollars from citizens who can least afford to lose them.

State sponsorship of casinos raises troubling ethical questions about fairness and equal treatment of citizens. These are not simply narrow questions about the morality of gambling, as the gambling industry likes to say dismissively. These are broad and important questions about a major new American institution.

The Council on Casinos seeks to increase public awareness of findings from health and social sciences on the harms of widespread regional casino gambling and to encourage citizen debate on this far-reaching but little understood public policy.

###