

CHAPTER 6. CASE STUDIES OF THE EFFECT ON COMMUNITIES OF INCREASING ACCESS TO MAJOR GAMBLING FACILITIES

As a part of the NORC team's work for the Commission, we conducted a 10-community case study on the impact of increased access to legalized casino gambling. We randomly selected our sites from eligible towns and cities across the United States; the one requirement was that the community have a population of at least 10,000 and lie within a 50-mile radius of at least one major casino, as defined by the criterion of at least 500 gaming devices, and measuring the distance with commercial place-mapping software with longitude/latitude coordinates. We stratified the selection of cases so that all four census regions of the United States are represented by at least two communities.

Once the communities were selected, we began the process of deciding who the appropriate contacts would be for a telephone interview process. The set of possibilities included local planners, addiction specialists, social service personnel including employment specialists, law enforcement officers, chamber of commerce members, and other persons representing a spectrum of community experience and viewpoints. We developed a series of open-ended questionnaires that consisted of a core set of questions plus items that were tailored to each particular type of community member. We then compiled lists of potential contacts from recommendations of NORC field staff residing in or near these communities, as well as phone directories of government numbers and the local yellow pages. Finally, in the closing section of each interview, we included an item asking the respondent whether there was anyone else in the area they would recommend we speak with; this method yielded a number of additional interviews.

Once this process was complete, three experienced interviewers were selected to contact and interview respondents, speaking with seven or eight people in every community. These respondents were often in prominent positions, such as heads of local planning boards and chambers of commerce, chiefs of police, executive directors of mental health agencies and addiction centers, community development directors, newspaper editors, consumer credit counselors, attorneys, and program directors in local and county social service agencies.

We selected our respondents based not only on their positions, but also on the length of time they have lived in the area and how long they have been in their respective lines of work. Many of our respondents have lived in their communities all their lives, and of those who have not, many have lived in the area for most of their careers. One interview had to be excluded from use due to respondent noncompliance. Our interviews averaged approximately one-half hour each.

In the sections below, we begin with a brief introduction of the various types of gaming available in the case study communities at the current time. We then provide an aggregate overview of the case study sites, discussing common threads we have noted among the diversity of cities and towns we examined. Finally, we present two of the case studies in detail. Each case study is an independent, in-depth look at how a community has responded to legalized casino gaming; taken together, they are a study in contrasts of the very different ways that people's lives can be affected (or not) by the introduction of casinos.

The Communities

It is important to keep in mind when reading these case studies that people are reporting, more often than not, their own subjective impressions of *numbers* of people with problems, of crimes and bankruptcies, and so forth. In many cases, the population of an area has increased at least modestly (and in some cases dramatically) due to the introduction of one or more casinos, and in at least two of our case studies, the population has increased due to factors that were unrelated to the casinos. What cannot be concluded based on these vignettes alone is whether the *proportion* of cases concerning a particular outcome, negative or positive, has changed.

Where possible, we attempted to verify the descriptions of the types of gambling available in and near the case study communities. With this exception, we should emphasize that the information we report here, including the direct and indirect quotes from respondents, is based on our interviews alone and have not been validated or investigated through external means.

Types of gaming

The sites we chose to examine for our case studies all had a variety of gambling facilities¹⁷ within the city limits and nearby; we asked respondents to tell us which facilities were available within the town proper, as well as any facilities within a 50-mile radius that drew residents. All of these communities were within driving distance of a casino per our selection criteria. Since these casinos are recent additions to the local landscape, all being introduced within the last 9 years, the issues surrounding their introduction were fresh in our respondents' memories.

Casinos

Until quite recently, casinos were confined to Nevada and Atlantic City. However, in the last decade, casino gambling has spread to towns and cities across the country, partly in response to the need for additional revenues for local and state governments, and partly as a result of the Indian Gaming Regulatory Act of 1988. The earliest efforts to legalize casinos outside of Nevada and Atlantic City came in South Dakota and Colorado, where small-stakes casino gambling for the purpose of historic preservation was approved by referendum in several old mining towns. Published research has reported that the impact on these towns has been enormous, with skyrocketing property values, conversion of many businesses to casinos, increased traffic, and increased crime (Long, Clark & Liston 1994, in Cox et al. 1997).

¹⁷ According to the Commission's directives, we define the term "gambling" as "an activity that involves staking or risking something of value upon the outcome of a contest, sporting event, or game of chance, with the understanding that one may receive something of value in the event of a certain outcome" (RFP, p. 7). Hence, we interpret a "gambling facility" to be any structure where such activity takes place. For the purposes of this study, we do not include bona fide business transactions governed by the securities laws for the purchase or sale of stocks, bonds, or securities.

Riverboat casinos in particular have also spread rapidly in the 1990s, and at least one of our communities is in proximity to one or more riverboats.¹⁸ The first riverboats, legalized in Iowa in 1991, placed strict limits on both wagers and losses. As riverboat casinos were legalized in other states, including Illinois, Indiana, Louisiana, Mississippi, and Missouri, these limits were lifted. While these casinos must be located on facilities that look like boats, few of the riverboats actually leave shore. In Mississippi, as well as in Iowa where the earlier restrictions have been eliminated, the term “dockside gambling” is a more accurate description than “riverboat gambling” (Cox et al. 1997), since the minimum requirement is that the gambling occur above a body of water, which may pre-exist or be dredged for the purpose.

The Indian Gaming Regulatory Act created a regulatory structure for gambling on Native American lands throughout the United States. By establishing a framework for negotiation between the sovereign tribes and state governments, Congress opened the door for Native American tribes to establish casino-style gambling in any state where charitable or social gambling is permitted (Eadington 1991). In 1996, more than 700 privately owned or Native American casinos were operating in 28 states (*International Gaming & Wagering Business* 1997). At least 3 of our 10 case study sites are based near one or more tribally owned casinos.

Lotteries

States across the nation have been implementing lotteries since the mid-1960s to fund government services. Today, 37 states have legalized lotteries, and we found state and/or multi-state lottery games to be present in each of our communities with the exception of one. With cutbacks in federal spending, pressures on state lotteries to provide revenues for government programs have increased. State lotteries now offer a multitude of games that blur the boundaries between their traditional products and other types of gambling, including instant or scratch tickets, daily numbers games, and electronic gaming devices offering keno, poker, and line games similar to slot machines at casinos (Cox et al. 1997). In only one of our case study communities did the lottery seem to be a problem for a significant proportion of residents.

Pari-mutuel gaming

In contrast to lotteries and casinos, the pari-mutuel industry has undergone a dramatic struggle to stay competitive in the last 10 years. We found a strong representation of pari-mutuel gaming in our case study sites, with two communities reporting jai alai frontons in the area, and seven reporting one or more dog and/or horsetracks. However, a full six of the sites reported that one or more tracks have moved or gone bankrupt due to the increased competition from the casinos. In response, racetracks have sought relief from taxation from state legislatures and have also sought to expand their activities. Initially racetracks worked to increase access to their traditional product by establishing off-track betting systems and broadcasting races from other tracks at their own facilities. More recently, racetracks have sought to compete by offering other types of gambling. In

¹⁸ To ensure the confidentiality of our informants, we have tried wherever possible to eliminate information that could readily identify an individual community. We found in the course of analyzing results from these sites that the type of casino, particularly whether it was water- or land-based, did not appear to have any differential impact on the communities. Therefore, we do not identify riverboats as such in our profiles.

California, several racetracks now have cardrooms where patrons may wager on poker and other games. In Delaware, Iowa, Rhode Island, and West Virginia, racetracks have been permitted to add electronic gaming machines to their traditional products, often with excellent results for their bottom line (Cox, Lesieur, Rosenthal, & Volberg 1997). Respondents in two of our case study communities reported local referenda on this issue.

Video gaming devices

The innovation widely thought to have the greatest impact in recent years has been the electronic gaming device, specifically video lottery terminals (VLTs) and video poker. Widely publicized incendiary remarks by one clinician who called video gaming the “crack cocaine” of gambling (Bulkeley 1992), and observations by helpline counselors who report increased calls from video poker players, indicate the potential value of undertaking systematic studies of this form of gambling. There are now at least 21 states where electronic gaming devices such as slot machines or video lottery terminals are available (McQueen 1996). Of our 10 case study communities, respondents in 5 reported video gaming devices operating (legally and illegally) in local small businesses. No respondent mentioned this type of game to be particularly addictive or harmful; however, respondents in five communities specifically opined that casinos—in which video gaming devices are the predominant form of gaming—generate more problems for gamblers than other types such as the lottery or racetracks.

Other types of games

In addition to these games, all but one community reported bingo. All of these sites had charitable bingo, and some also had commercial bingo. In addition, three communities were reported to have bookmaking, and one community each was said to have a sports bar, a bar with a pull-tab dispenser, and keno.

One of the interesting if unexpected outcomes of our interviews was that when we asked respondents about the effects legalized gaming has had on their communities, respondents seemed to forget all the other kinds of gaming in town and just speak to the casinos. This is understandable if a community has no other gaming except charitable, which many people do not perceive as really “gambling” but, rather, giving money to a good cause. However, communities reported to have, on average, five major game types. One possible explanation for this focus on casinos may be simple timing. In other words, since, according to our respondents, bingo parlors, lotteries, and tracks have typically been operating in their communities for at least 15 years, it seems reasonable that these types of games have become more a part of day-to-day reality, and that fewer people visit these types of facilities today, as in the case of racetracks and bingo.

Economic outcomes

A variety of economic themes came through in our case studies; some reflected positively on casinos and gaming as a whole, while others did not. The silver linings and dark clouds seemed inextricable from each other. For example, a recurrent positive theme was the new employment opportunities that casinos create for local people. In five communities this was cited as a very positive advantage (all but one of these communities was located within 10 miles of a major casino). Respondents in the other four communities indicated that unemployment remained a problem, despite former hopes to the contrary. In two of these sites, as well as in four that cited more jobs, residents

complained that the casinos for the most part provide low-paying and/or part-time positions with no benefits (four of these communities were located within 10 miles of a major casino, and two, between 20 and 40 miles of a major casino). One respondent indicated that because of the part-time nature of most of the jobs available in his town, the welfare rolls had not decreased, even though some families had found work in the casinos. He stated that the reason for this is that people are afraid to take jobs without benefits; while on welfare, they have some assurance that if something happens to themselves or one of their family members, their medical bills would still be paid. Similarly, in another community, a respondent reported that the welfare rolls have decreased, but not due to the casinos, because they only brought part-time jobs. On the other hand, one respondent did indicate very clearly that welfare rolls have decreased due in part to the opening of casinos.¹⁹

In addition to casino operations as such, there was growth in the hotel and motel industry (three communities), as well as more funds flowing either directly or indirectly from the casinos into local government (six communities) and into charitable organizations (three communities). Respondents in five communities indicated an increase in construction, and four of these mentioned housing construction in particular. Two communities were reported to have had property values increase. In communities where casinos were built within the city limits, one of the most common concerns was the burden on public infrastructure. One town was able to use increased revenues from casinos to upgrade its water and sewage systems; four reported that either road improvements were needed or that such improvements had taken place but more work needed to be done. In six communities, at least one resident complained about the increased traffic brought by the casinos. Three communities reported a growth in the number of retail establishments, but two reported a decline since the casinos were built, with a variety of places going out of business.

All but one of the communities reported an increase in debt problems and/or bankruptcies. One possible explanation that is likely at least in part for this, as told to us in most of these communities, is that people are gambling on their credit cards and taking out cash advances at ATMs in or near the casinos. However, it is also true according to a few of our respondents that because new casinos promise jobs and financial stability for disadvantaged persons or families, many people move to these towns with their existing debt problems to try for a better life. If the only work they find available is part-time service positions, this may lead to further financial distress and eventually, in severe cases, bankruptcy. Respondents in five communities, all but one of which had casinos within the town limits, noted that one of the primary problems in the community was the large number of working poor. Three communities also mentioned problems with homelessness, and about four mentioned problems with low-income housing or housing stock.

¹⁹ The vast majority of U.S. communities located within 50 miles of a major casino are not located near a casino with unionized workers, as most unionized casino employees work in the relatively larger, destination-style/resort casinos located in Nevada and Atlantic City. However, due to the concentration and size of these casinos, their workers comprise a fair percentage of the total number of casino workers. The sample of case studies would have to be larger and selected to reflect union presence (for example, 10 communities with and 10 without unionized casinos) to permit comparison of the differential effects (if any) that unionization would have on the type of jobs available and related economic effects.

Other social benefits and costs

Two communities reported an overall reduction in crime in their communities, and three reported an overall increase. Interestingly, the youth in particular appear to be having problems; five communities reported increases in youth crime, one specific to illegal gambling, and one including illegal gambling. Two of these communities were among the three reporting an overall increase in crime, and one was a community reporting an overall decrease in crime. Illegal gambling did not seem to be much of an issue in the communities we looked at; two reported a decrease and one reported an increase, with the remainder either not knowledgeable or not aware of any change having taken place. So-called white collar crimes such as forgery and credit card theft were reported to be on the rise in seven of nine communities, including the two towns that reported an overall decrease in crime; some respondents attributed this change to increased gambling in the casinos, citing the timing of the increase or the circumstances given in particular news reports they had seen.

Domestic violence also appeared to be a theme, with respondents in six communities telling us they have seen increases in this behavior. Respondents reported, on the whole, no increase in child abuse in their communities. However, six communities had one or more respondents who said they had seen increases in child neglect, and attributed this increase at least in part to parents leaving their children alone at home or in casino lobbies and parking lots while they went to gamble.

A number of social service staff across several communities mentioned they have seen an overall increase in “family stress” due to gambling. In one community, a mental health specialist attributed a recent increase in divorces to casino gambling. Seven communities reported either an increase in suicide since the casinos opened, or having seen cases where people ended their lives due to problems stemming from their gambling. In addition to the need for more gambling treatment, residents of four communities told of an increased need for general mental health services for gamblers and their families.

Respondents in four communities noted concern over the increased numbers of older and retired persons gambling in the casinos, and respondents in two communities noted an increase in youth gambling. (As noted in Section 1, data from the national survey do not indicate that particularly large numbers of young adults or elderly are gambling; in fact, past-year gambling statistics for persons between the ages of 18 and 24 and 65 and older show that these two groups gamble disproportionately less than one would expect, given their proportion of the adult population. See Section 4 for a discussion of gambling among 16- and 17-year-olds.)

Problem gambling

In seven of the nine communities we investigated, respondents told us they have seen an increase in the number of people who are problem and pathological gamblers. Aside from the fact that simply more people are gambling, one interviewee pointed out that once a community builds a casino, the area may become more attractive to persons who have the potential to develop into problem gamblers. Furthermore, as the casinos are still a relative novelty in the communities we investigated, it may be that in time, the numbers of people who find themselves having difficulty controlling their gambling behavior will learn ways to keep their behavior in check, or will simply lose interest when another novel and exciting activity comes along.

While the national prevalence data from the 1998 survey versus its 1975 counterpart indicate an increase in lifetime gambling in the United States, the data do not indicate an increase in the proportion of people who have gambled in the past year. Therefore, most of the increase in gambling appears to be from increased activity among those in the population who gamble regularly. From the perspective of our interviewees in at least four communities, casino gambling is more habitual than previously available gaming opportunities, so those who gamble do so more frequently and intensively. In fact, it is clear that casinos are “more popular” than other forms of legal gambling in that people, as a group, spend much more money at them than on other games, other things being equal. People who live within 10 miles of a casino typically spend \$400–600 per adult per year on casino gambling, versus \$50–100 per adult per year on state lotteries (in states that have them) and \$10–30 per year on horse and/or greyhound racing (if they live within 10 miles of a track).

Finally, a major theme that came through in every single case study is that substance abuse is a major problem in these communities. Respondents complained about the high proportion of drug-related crime, arrests for public intoxication and DWI, youth drug use, and addiction in general. Many interviewees also drew a connection between substance abuse and gambling, noting that a high proportion of people with one problem will also have the other. It is plausible that casinos are affecting substance-using behavior and/or the reverse. It should also be kept in mind that some of the changes reported in the communities may potentially be due to substance abuse.

Public opinion regarding gambling

One community was strongly in favor of legalized gambling, six indicated a slight bias in favor or a general acceptance of the casinos, two communities were very mixed, and one was clearly negative. Despite a sample size of only 10 communities, these results are reasonably consistent with how the general population characterizes gambling.

Case Study One: Florissant²⁰

The case study interviews were organized in sections, and for the most part, we found it sensible to retain this organization when writing up our findings. We structure each case study in the following way: First, we discuss the backgrounds of the interviewees who participated in our survey. Second, we present a summary of the types of gaming that are available to residents both within the community itself, as well as nearby, meaning within a 50-mile radius of the city or town. Third, we present our findings on the types of changes that have occurred in the community in the past 10 years. Although we stressed to respondents that this question referred to general changes and not just those due to gaming, most often respondents told us about the latter; we make this difference explicit where needed in the text. Next interviewees were asked what they currently saw as the most important socioeconomic issue in their community. Finally, we asked respondents what their views were on how the community generally feels about having legalized gaming readily available.

²⁰ This name and all other proper names in these case studies are fictitious.

Below we present two of our case studies, chosen in part for the very different impacts gambling has had on these two communities. In Appendix C, we repeat this section, and include full discussion of the remaining eight case studies.

Our respondents

For our case study of the Florissant community, we interviewed a detective in the Florissant police department, the director of a nonprofit organization specializing in child abuse prevention, an addiction counselor, a city planner, the manager of a consumer credit counseling agency, a tourism office commissioner, and the editor of a local newspaper. Our respondents have been in their line of work for an average of 15 years (ranging from about 7 years to more than 25). All have lived in the Florissant area or nearby for at least 10 years.

Gaming in Florissant

When people talk about gaming in Florissant, they are usually talking about casinos. Bingo games are run by nonprofits such as the War Veterans Association, so it appears that people view bingo more as making a charitable contribution than as actual gambling. We asked four respondents if they had noticed any trends that appeared to be influenced by the opening or closing of gaming facilities, or by the availability of certain kinds of games, and three of them told us that comparisons could not be made, since “We really only have one type.”

Around 1990, state residents voted to allow casino gambling, and within Florissant, the first casino opened its doors within a year of the vote. Residents also travel more to a nearby state to play in the casinos there. Residents reported some turnover of casinos in the area, with some of the initial, smaller operations leaving or being bought out by larger firms. In recent years, several casinos near but not within Florissant have closed or gone bankrupt and changed owners. The two original casinos within the city limits are the only casinos still operating there and no others have opened and closed in town in the meantime; however, a new casino/hotel complex is expected to open soon.

Community changes

This city is one of the largest in the state; the opening of the casinos has turned what was once a “ghost town” into a popular tourist destination. “[Gambling] is part of the community. Gambling is an active part, it has been involved with community activities. The casinos in [town] are corporate citizens.” In this vein, another stated, “The reason we brought [gaming] in was to use it as a leverage point to bring in other business. Gaming is certainly different than most expect it, but the casinos are run by Fortune 500 companies, not by gangster types.” In the midst of these changes, the city has been striving to maintain a “clean” image. One interviewee reported that “[a] strip joint opened up in downtown [Florissant], but the city took them to court and they left town.”

We asked individuals what community changes they have seen over the last 10 years and whether they thought any of these changes was related to gaming. Everyone mentioned the population boom or some change that was related to the increased number of people moving to the area, such as the lack of housing or the traffic and demand for new roads. The thriving economy appears to be the main reason for this influx. People without jobs or many resources come to the Florissant area to start a new life.

Due to the casinos, according to one interviewee, “Investment into schools and public services has been greater. Also, there has been more investment in highways and sanitation services.... More people are working; there are more two-income families than ever before. The MSA now has more businesses than any other region . . .”

Gaming, according to the newspaper editor we interviewed, comprises one-quarter to one-half of the local economy, and all respondents except one indicated that they were pleased with the overall direction of the local economy (the exception abstained). The thread that connects most of these comments is the dramatic improvement in employment opportunities. Since so many people mentioned this, we break out their comments below.

- According to one respondent who is involved in transportation planning, “We’ve had to build roads faster, increase housing stock, service businesses.... About 60 percent of these changes are due to gaming.”
- A credit counselor stated, “We see mostly people who have been out of work in other areas moving here, then paying off creditors....”
- A staff member on the tourist commission stated, “We’ve had significant increases in employment. We have more two-income households, with more spending power. There’s been a [substantial] rise in per capita income since 1990. It’s generated a positive image about the area, and has attracted other sectors. The timing [of the casinos being built] was very good.... It has impacted a large portion of the economy, ... but not all of it. [New kinds of businesses] have appeared, [and] the manufacturing sector ... has strengthened due to independent world conditions. [The casinos have] increased exposure for tourism-related business, which we’ve seen in data from [two local associations].
- According to another, “We’ve had a huge increase in employment and tax revenues. It’s a tight labor market, so salaries are increasing. People are moving to Florissant from all over the country.”
- A newspaper editor stated that the lower end jobs in the area now have benefits, where before they did not.
- Another respondent stated, “The region’s population has grown [by more than half] in the past 10 years. We have more service-oriented jobs now.”

Respondents also mentioned what could be considered less desirable changes attributable to the casinos, including the rise in problem gambling. According to a respondent in law enforcement, “there are now Gamblers’ Anonymous meetings in [Florissant] every single night of the week, when there used to be none.” An addiction counselor stated that problem gamblers were not known before the casinos. The detective stated, “We already had alcohol and drug addiction services. The casinos opened up . . . and we saw our first problem gamblers [within 18 months]. These people were often both alcoholics and problem gamblers. They have free booze” in the casinos. Two respondents mentioned an increase in bankruptcies. But help is advertised—“They have help-lines now, and more people are aware that help is available.” Another told us, “Casinos are proactive in combating gambling problems and are bringing money into the community.”

An interviewee in social services mentioned seeing an increase in neglect, though not abuse, over the past several years; “We’ve seen children left unattended, people losing

their money who can't afford to pay for their food and rent..." Another reported that "[h]ousing prices have gone up. We have traffic congestion and crowded schools. There's been a strain on infrastructure, construction is up. Not a huge rise in crime. Some traditional neighborhoods have been stressed by growth—high-rise condos, shopping centers, hotels appearing. All of [this change was due to gambling], though some of it was indirect." One person indicated that chain restaurants were moving in and "chasing away the local restaurants." A respondent summed up the two sides this way:

It's been both good and bad. Construction is booming, but there are complaints of illegal immigrants. The schools have more money, but there's also the increase in Gamblers' Anonymous groups and bankruptcies. Property values have gone up, but renters have been hurt, especially seniors. Average rent has gone from \$200 a month to \$700 a month.

We asked our informants whether they thought the nature or number of crimes in Florissant had changed. Everyone mentioned an increase in robberies. According to an officer in law enforcement, crime in general has increased. He added that burglaries account for the greatest proportion of crime in the city. Furthermore,

Robberies are up, and there has been a rash of bank robberies ... that appear to have been gambling related. Attempted suicides have also gone up. We have had some illegal gambling activity in the area. There has also been a rise in prostitution.... The casinos give away alcohol for free, and we have seen a big rise in alcohol-related crimes. The casinos try to self-regulate, but they are ineffective. In Vegas, people catch cabs, but in [Florissant], drunk driving is an issue.

On the other hand, according to a newspaper reporter, prostitution is now less visible than it was before the casinos, and it should be noted that we were unable to find any escort agencies in the Florissant Yellow Pages. The reporter also stated that "there have been some isolated, weird crimes, from people freaking out after losing their money. One woman faked her own kidnapping, then disappeared for a month."

Current community issues

We asked respondents what they thought was the primary social or economic problem their community was facing right now, and whether they thought gambling had helped the community to control this problem. One respondent was not sure, and did not elaborate. Another interviewee, in social services, had only good things to say: "Economically, we're doing much better, unemployment is extremely low. Socially, I don't know what the primary problem would be." A respondent on the tourist board complained about the transportation congestion and workforce availability, but added, "Gaming is the cause but also employs [thousands] directly. Tax rates have actually gone down as we have ... extra capital there now." Similarly, the planner stated, "The cost of housing is increasingly too rapidly, but gaming has increased salaries, too."

The law enforcement interviewee was less positive and pointed to an array of problems he felt had all been created by the opening of casinos:

Pawnshops are now all over the place operating 24 hours a day, and they don't worry about dealing in stolen merchandise. There are even places that will let you sign over the title to your car. We've seen some organized crime. We had a

... [situation] where the FBI came in and arrested people.... Casinos are very-image conscious. If there are rapes in the parking lot, the casinos ask us not to report them. Casinos don't go after problem gamblers unless they exhibit signs of substance abuse. Also, the increases in bankruptcy.

According to the addiction counselor, the primary problem is Florissant is “[d] rug abuse. Crack has been around 10 or 15 years, and hit a high in the last 4 years.” He added that gambling does not appear to be related to the drug problem in Florissant. Finally, the newspaper editor stated that the primary problem Florissant faces is “uncontrolled growth. And gambling’s causing it!”

Public views on gaming

Next we tried to get a feel for the climate in the community regarding gaming. People did not seem to differ much on their perception that the community felt positively toward the casinos, although some emphasized the fact that a minority exist who do not approve. Since the community voted to allow casino gaming, it is not surprising that most interviewees told us that the majority supports it. However, a few either expounded on this or disagreed; we include their responses below.

- “There’s no middle of the road. The community is divided. The town voted gambling down before it passed. [Florissant] is a casino town now.”
- “For the most part, it’s understood to be an industry, albeit a recreation/leisure industry. It’s seen to be positive for our economy.”
- “We had a vote, and it passed. It would depend on whom you talk to. It offends the religious beliefs of some, but the economic benefits have been significant.”

We also asked people what their expectations had been for when the casinos opened—whether they thought that the community would change in any way. Only one person mentioned having no expectations beforehand. Three people mentioned they believed that the casinos would bring more tourism to the general area, and two stated that the result far exceeded their expectations. The flip side to this was expressed by another respondent, who stated, “My expectations were that gaming would cannibalize the area. And it’s happened.” Another stated he had thought that the casinos “would contribute more to treatment programs for compulsive gambling and drug addiction on the local and state level, though [one casino] did contribute to an awareness program.” Finally, a respondent stated, “I expected a lot more crime and a lot more traffic. Traffic has increased, crime has not really increased as much as I expected.”

When it came to their own views on the impact the casinos have had, respondents either reiterated their feelings that they have been positive for a majority of the community or were even more glowing with their praise. In the words of one, “It’s been very good. Very positive. It’s like having Disney World move to your community.”

Case Study Two: Hansen

Our respondents

For this case study, we interviewed the local chief of police, a mental health program administrator in the local department of social services, a psychotherapist, a director of a council on problem gambling, the local director of community development, a program director at a consumer credit counseling service, an administrator in the local chamber of commerce, and a reporter for a local newspaper. On the whole, respondents have lived in the general area for a significant amount of time; with the exception of one respondent (the administrator in the chamber of commerce, who has lived there for just over 5 years); interviewees have lived in the vicinity for a minimum of 20 years.

Gaming in Hansen

We asked respondents about the kinds of gambling available in their area. We found it significant that we received such an inconsistent set of responses, and we repeat them below:

- “We have lottery games at the gas stations. None, otherwise.”
- “There are three popular bingo halls.”
- “Every kind you can imagine, from legal to illegal.... Charity gaming, illegal sports books, illegal video poker machines in bars.”
- “Zero.”
- “The state lottery.”
- “Absolutely none. [Hansen] was started to be a religious community. It is still dry, and originally no doctors were even allowed.”
- “None that I am aware of, outside of the lottery.”

Respondents also told us about locations outside the immediate community, but within a 50-mile radius, that attract local residents. These include a handful of casinos all close by, which opened around 1990; “numerous bingo halls,” including a tribally owned parlor; and a dog track. According to one respondent, the dog track has been operating for more than a generation. One interviewee stated that the municipal government sponsors casino junkets for local senior citizens to a casino about an hour or so from town, but he did not know how popular these excursions were.

When asked if any facilities have closed, the majority of the respondents mentioned a horse track that was a short drive from town; one interviewee added that after the track closed, a more local OTB parlor closed. Another respondent stated, “None [have closed], because there haven’t been any.”

The respondents in this case study were unique in that they interpreted our use of the phrase “legalized gambling” with the understanding that this category includes a variety of types of games. In every other community in which we conducted interviews, respondents appeared to equate “legalized gambling” with casino gaming. In this particular town, one interviewee told us that people tend to spend more money at bingo

halls than at the casinos, but added that the share taken by casinos is growing. Another respondent commented that she has seen people in town spending “a disproportionate amount of their meager incomes” on lottery tickets, partly because it is “just so convenient to play.” A credit counselor told us that about one-half of the people she works with play the lottery regularly, and guessed that they spend about ten dollars per week on tickets. Another resident commented on the popularity of the lottery as well, adding “We occasionally see thefts of lottery tickets from convenience stores, or a domestic dispute over a winning lottery ticket.”

Community changes

Hansen is small town that has recently experienced some economic troubles. Several respondents told us that a particularly large plant recently closed in the area, which affected the tax base significantly. According to an administrator in the local chamber of commerce, this shutdown “had a major impact on our community. [Hundreds of] jobs were lost.” However, the newspaper reporter indicated that most of the plant’s employees were from out of town. The real impact seems to have been in revenue loss; three respondents told us that this shutdown has impacted as much as half of the tax base. The chief of police added that the schools have been particularly hard hit.

The director of community development defined the town as a “low-to-moderate income community, primarily residential in nature. Like many older, inner-suburban communities, we are struggling to provide services, meet demands.” Another issue the town is trying to handle is that people are moving out to newer suburbs. “We face a lack of local jobs, and our taxes are based on residential property.” Another respondent told us that the town has a high percentage of rental housing per capita, and that they are trying to take advantage of a local housing boom in the county to improve the housing situation.

We asked respondents if they personally were pleased with the overall direction of their economy at this point. Two respondents indicated they were, while four respondents indicated dissatisfaction, including

- One interviewee who cited the recent closing of a large plant;
- A program administrator in mental health, who told us that “medical services are outrageous in our community. If they’re going to legalize gambling, they should put money into treatment, across all areas”;
- The director of community development, who stated the community needs “a broader economic base, more industrial and business development in the community”; and
- A newspaper reporter, who commented that “[Hansen] really needs to wean itself off of the tax money [from the power plant].”

One respondent declined to answer.

The director of community development told us, “We are part of [a] metro region, and are influenced by [the city].... We constantly face movement to the green fields, new suburbs. Urban sprawl contributes to our problems and is part of our planning process. We face a lack of local jobs, and our taxes are based on residential property.” Aside from the plant closing, however, “The community has not changed much since 1990.... We

have an ongoing economic development program, though. We have no specific sectors targeted, but would like to attract light manufacturing jobs. We're too far from the interstate to attract warehouse and distribution business."

According to another interviewee, a couple of new restaurants and banks have opened over the past several years, but overall "There's not a huge commercial base.... Basically, service industries are all that's moving in.... It tends to be a strictly residential community." The credit counselor commented on the job situation, saying, "We have low unemployment, but they're all low-paying, service-industry jobs."

None of our informants indicated that the local gaming establishments have had any affect on the local economy, not even on tourist-related businesses. People from out of town visit the community to go to the park or to walk along the marina, and the town has an excellent medical center. In the past 2 years, the chamber of commerce representative said, only one person has asked her about gambling in the area.

On the other hand, some controversy exists surrounding whether the opening of casinos nearby has had an affect on individuals in the town. The program director for a consumer credit counselor service said that the town has "seen higher and higher credit card debt.... The number of individuals filing for both Chapter 7 and Chapter 13 bankruptcies [i.e., personal bankruptcy] has increased." She told us she did not see any connection between these trends and gambling, saying, "gambling losses play a minor role in the debt problems that we are now seeing." But she added, "Casino gambling has increased in the area. A few families have come in with gambling problems." According to a mental health administrator, the town's relatively high poverty rate has made residents more vulnerable to potentially addictive behaviors. "People think that they can get rich [if they gamble], and the people that we treat tend to be on the lower end of the income scale in [the] county.... The economic impact creates stress, which creates substance abuse and other negative impacts."

With regard to changes in social services in the community, the mental health program administrator told us she has seen "extreme changes" in her agency, and the demand for addiction services far exceeds their resources. Not-for-profit companies in particular have been suffering. "It's been a steady increase, maybe there was a surge since the early 1990s. The courts have adopted an interventionist approach as opposed to a punitive one. More people are getting court-ordered treatment instead of jail time. [However,] we're limited in the number of sessions we can provide and the number of people that we can treat because of financial concerns."

Since the agency is not set up to deal with gambling addiction, and none of the counselors are certified gambling counselors, staff only deal with gambling indirectly. The administrator added that no services exist in the immediate area specifically to help people with gambling problems, but she said that gambling treatment centers have been opening in the state. She told us that her agency now refers more people to gambling treatment than they used to. "I'm sure there's an indirect effect with drinking and other kinds of drug abuse. I think it's a cumulative effect. Gambling, drinking and drugs increase domestic violence and poverty. Can I track that as a statistic? No. That's more my opinion than anything I could prove."

The director of the council on problem gambling also spoke to this issue for the state as a whole:

There's a tremendous need for treatment of gambling problems. There is better awareness now, people show up stating that they and their families have gambling problems. Taxpayers also spend much more for prosecution and incarceration of compulsive gamblers. This is often not factored into the equation.... We have seen a doubling, at least, in the number of Gamblers Anonymous groups in the state ... over the past 5 to 6 years. The need for services has expanded dramatically.... We've trained [hundreds of] professionals in diagnosis, assessment, and treatment over the last 3 to 4 years statewide.

We also asked respondents about ways in which crime and law enforcement may have changed in their communities over the last decade or so. According to the chief of police, all types of crime are prevalent in this community, and most of it is related to drugs and gangs. In particular, sales of illegal drugs "are way up." The newspaper reporter told us, "Substance abuse is still a big problem.... Crack-cocaine [for instance], but it's declining. Drug raids have tapered off, but are very severe when they occur. The improved economy also helps, though it's really not better in [Hansen]." The local police department has responded to this problem by becoming more involved in community policing: "The districts haven't changed, but officers are permanently assigned to areas now, and we used to rotate them."

The chief of police faxed us a brief table displaying major offenses (e.g., homicide, burglary, arson) in the town from 1994 to 1997. These data show a downward trend in violent offenses, and particularly in robberies and property offenses, although it we have not calculated whether these changes are statistically significant. The chief of police told us that although specific types of crime have increased, these trends are not connected to gambling. In addition, he reported that illegal gambling has not increased since the casinos have opened, and a program administrator in mental health told us she is not aware of any trends in underage gambling.

When we asked the director of the council on problem gambling whether he thought that crime has increased, he did not speak to the Hansen community in particular, but did speak to the state as a whole:

Certainly. We have noticed a statewide increase in paper crime—forgery, fraud, theft and embezzlement—none of which are classified by law enforcement officials as gambling-related crime. Criminal activities of compulsive gamblers are often not recorded. The crime question is being asked incorrectly, and the results could be completely misleading.

The newspaper reporter told us that, overall; crime in the area has gone down. However, he added that "transient residents" are susceptible to gang activity, and that the town mostly has drug-related crime like robberies and vandalism. "I don't think the police force would want gambling in the area. Crime is already somewhat high for a community our size."

Adolescent suicide rates may also be on an upward trend. The mental health administrator told us, "I think teenage suicide is up slightly in this community, though I don't know what the statistics are county-wide. I'm not aware of any connection between suicide trends and gambling, but I'm not saying that they don't exist."

Current community issues

We asked respondents to tell us what they thought was the primary social or economic problem their community faces at this time, and whether they believe legalized gambling has had any affect on the community's efforts to control this problem. One interviewee told us he did not know. Two respondents mentioned drugs, one also mentioning gangs, and the other explicitly including alcohol. The latter respondent stated, "Crack cocaine is far too accessible, far too cheap. Our treatment of crack-cocaine users is at an all-time high. [Legalized gambling] certainly has a negative impact." Two respondents mentioned the tax base, one calling it "unstable," and the other saying "We have a serious crisis." Neither could say that gambling has helped or worsened this problem. One interviewee mentioned the lack of high-paying jobs, adding that she was not aware of any change in this area due to the opening or closing of gambling facilities. Finally, one respondent told us he saw the primary problem as "pathological gambling.... Legalized gambling has brought the problem more to the surface, but at the same time, has not made it easier to deal with. In [this state], there's absolutely no state funding to address compulsive gambling problems. The casinos also kick in no money for treatment programs."

Public views on gaming

Next we asked respondents how they thought the community generally feels about having legalized gaming readily available. We found the nature of our responses to depart rather radically from the kinds of responses we were given in other case study communities. Basically, the respondents in this town were split into two camps: Interviewees who felt that overall, the community was pleased with having gambling available due to their being uninformed about the negative impacts, and interviewees who felt that the majority of the community was opposed to gambling for religious reasons. A sampling of responses follow:

- "I think they're ecstatic. They think that more money's going into education, that they won't have to pay higher taxes. They don't grasp the negative impact. They are used to segregating off crime and substance abuse in a societal kind of way."
- "I think most of the community likes it, and it's based on ignorance. It's not even the gambling that the community likes, it's the fantasy of winning."
- "[Hansen] was originally formed as a religious community. Most residents are not interested in having gambling."
- "I'm sure it would fail miserably in this town. They tried to get alcohol on the ballot in the November election, and it failed to pass."

Next we asked interviewees what their personal expectations were for the effects of a nearby gaming establishment on the community before the casinos opened, and whether their expectations have been borne out. Most said they did not have expectations, and so had no surprises when the casinos opened. The two respondents who did have expectations expressed them in the following way:

- "My expectations were that it would be a net loss to the community, and they have been borne out. I see things that others don't see. For every winner, there's a loser. It's easy to spot fire plugs painted, streets paved, buildings built... [Also, I have been

surprised] that the public would continue to be as blind as they are to the loss side of the equation.”

- “I would expect it to be detrimental. In [other communities in the state that have opened casinos], jobs were created, but the economic runoff that they expected has not been realized.”

Finally, we asked the respondents what their overall feelings were about the effects legalized gambling has had on their communities. We repeat their comments below (two respondents were not asked this question):

- “It has social and economic negative impacts, and contributes to addiction. I don’t support it, personally.”
- “Negative.”
- “I can’t say that there’s any [effects] that I know of.”
- “I’m not aware of any community effects, but gambling can be devastating for an individual family.”
- “I’ve never even bought a lottery ticket, but don’t see a big problem with gambling personally.... I’m sure there’s an impact, probably slight.”

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