

# The Truth about Casinos and Slot Machines

*[This fact sheet was largely compiled from Stop Predatory Gambling and United to Stop Slots. Specific original sources are provided at the bottom.]*

## **CASINOS DESTROY SMALL BUSINESSES AND JOBS**

- It has been estimated that casinos destroy 1.5 jobs for every 1 job they create., making them net job-losers. [1]
- Each slot machine takes enough money out of the local economy in one year to cause the loss of one job. [2]
- According to Mayor Wesley Johnson whose town borders Foxwoods Resort in Connecticut: "There has been no economic development spin-off from the casino. Businesses do not come here. Tourists come mainly to gamble. Gamblers have one thing in mind: get to the casino, win or lose their money, get in their cars, and go home."
- Local restaurants within a few miles of a casino often close because they cannot compete with casino restaurants that offer discounted food to lure gamblers into their establishments.
- Retail and service businesses in South Dakota suffered a net loss of approximately \$60 million in anticipated sales in the year following the introduction of gambling. [3]
- A study commissioned by former NY Governor Pataki found that over 1200 more jobs would be lost rather than gained with gambling expansion.
- More than 70% of businesses in Natchez, Mississippi reported declining sales within a few months of opening that city's first riverboat. [4]

## **CASINO JOBS ARE LOW PAYING. CONSTRUCTION JOBS EVAPORATE**

- The median annual wage for casino workers is \$13,179. [5]
- The great majority of jobs at casinos can regularly be found on the Forbes list of worst paying jobs in America - including that of 'gaming dealer'. [6]
- Casino construction jobs offer only a temporary burst of activity in a failing fossil-fuel economy. After the construction is done,

construction workers find themselves trapped in an economy without a future. The alternative is to create decades worth of steady work in the building trades by greening our housing stock, energy infrastructure, businesses, schools and government buildings. Such construction jobs reduce energy costs which keeps money circulating locally. This makes our businesses more competitive, and gives us a cleaner, healthier, and smarter economy that won't collapse when hit by gasoline price hikes.

### **CASINOS PROFIT MAINLY FROM LOCAL GAMBLERS AND THE EXPLOITATION OF GAMBLING ADDICTS**

- A 1995 survey of Illinois riverboat gamblers conducted in 1995 found that 85% lived within 50 miles of the casino at which they were gambling.
- An Iowa State Univ. study reported that 94% of gamblers at the Prairie Meadows RaceTrack and Casino in Des Moines came from within the state; nearly 2/3rds came from the county.
- Revenues from addicted and problem gamblers have been estimated to provide 52% of all casino revenues [7]. Thus the profitability of casinos is absolutely dependent upon addicted users, not people simply enjoying "entertainment".

### **CASINOS REQUIRE AN EXPENSIVE BEACON HILL BUREAUCRACY AND ARE NET MONEY LOSERS**

- Government sponsored predatory gambling will require a new government bureaucracy to oversee revenue collection and fight corruption. Other states with regulatory commissions for predatory gambling employ staffs of over 500 people. [8]
- Social service programs will need increased funding to deal with the crimes, divorces, bankruptcies, and other ills caused by the presence of casinos.
- When their social and management costs are taken into account, casinos are estimated to impose \$3 in expenses for every \$1 they provide in tax revenues. Taxes often go up when casinos come in. [9]

- Putting Beacon Hill politicians in charge of a cash-rich business is an invitation to corruption and influence-peddling. In gaming states, legislatures routinely become captives of the gaming industry, and promised benefits to the public are traded away in exchange for donations to political campaigns.
- 

## REFERENCES

[1] Professor John Kindt, professor at University of Illinois: "The field research indicates that nationwide you stand to lose 1.5 jobs for every job the casinos create."

[2] "Gambling: Executive Summaries & Recommendations", U. S. International Gambling Report, 2009. "The average worldwide was one net job lost each year per EGD/slot machine."

[3] Michael K. Madden, "Gaming in South Dakota: A Statistical Description and Analysis of Its Socioeconomic Impacts," University of South Dakota, November 1991

[4] Robert Goodman, "The Luck Business: The Devastating Consequences and Broken Promises of America's Gambling Explosion", New York: Free Press, 1995

[5] 2007 National Compensation Survey, US Dept Labor's Division of Labor Statistics

[6]

[http://www.forbes.com/2006/05/20/06work\\_worstpayjobs\\_slide.html?thisSpeed=35000](http://www.forbes.com/2006/05/20/06work_worstpayjobs_slide.html?thisSpeed=35000)

[7] E.L. Grinols and J.D. Omorov, "Development or Dreamfield Delusions?: Assessing Casino Gambling's Costs and Benefits," The Journal of Law and Commerce, University of Pittsburgh School of Law, Fall 1996, pp. 58-60.

[8] Testimony of Massachusetts Attorney General Martha Coakley before the legislative Committee on Economic Development and Emerging Technologies.

[9] Report of The National Gambling Impact Study Commission  
(NGISC)