

GAMBLING IMPACT AND BEHAVIOR STUDY

APPENDIX C

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

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METHODOLOGY OF THE CASE STUDY ANALYSIS

As a part of the NORC team's work for the Commission, we conducted a ten-community case study on the impact of increased access to legalized casino gambling. This volume discusses the methodology used for this qualitative analysis, followed by an explication of our findings in each of the case study communities.

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: OVERVIEW

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 facilities¹ 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).

¹ 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.² 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

² 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 twenty-one 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 unremarked 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.³

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.

³ 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: FLORISSANT⁴

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.

⁴ This name and all other proper names in these case studies are fictitious.

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 in 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.”

CASE STUDY THREE: NATALE

Our Respondents

For our case study of Natale, we spoke with the mayor of the city, a police sergeant, a manager in Child Protective Services, the executive director of a mental health center, a city planner, a manager in a consumer credit counseling service, and a reporter. With the exception of the mayor and consumer credit counselor, all of our respondents have been in their general line of work between 10 and 45 years (the mean for all respondents was 17 years). They have lived in the general area between 3 and 31 years, all but two for at least 10.

Gaming in Natale

We asked the interviewees about the kinds of gaming available in and around Natale. Within Natale proper, residents can play the state lottery in convenience stores and gas stations; people had varying ideas of how long the lottery has been in existence in their state, ranging from two to six years. We were told the lottery was “heavily advertised” and widely covered by the media. Finally, one respondent told us that one can purchase pull-tabs in town. Outside Natale, but within a 50-mile radius of the city, the options are more numerous. One respondent told us there are four bingo parlors nearby; a search of the local yellow pages turned up at least eight commercial establishments not including the casinos, plus the bingo games respondents told us were sponsored by private organizations like churches. Another interviewee indicated that most of the bingo parlors have gone out of business due to the casinos. One possible reason for this is that a number of the local casinos sponsor their own bingo games; in fact, a number of them were originally bingo establishments that converted to casinos several years ago. Natale is close to a tribal reservation with a fairly large casino, and there are several other Indian casinos within driving distance. We were told that another tribal casino was being planned which was expected to be “huge” and have a great impact on what is otherwise a fairly rural area.

Two horsetracks are located nearby, and at least one other has closed down. Some blamed it on the casinos, but said that the popularity of the tracks may have been on the decline before the casinos opened. A couple people told us that horse racing is “dying,” and some have had to cut back their hours of operation.

With regard to the impact of the various establishments on individuals, the credit counselor told us, “It’s pretty obvious that the casino gambling is having a much larger impact than other forms, including the lottery. I’ve never seen anyone come in here due to too many lottery ticket purchases.”

Community Changes

Next we asked respondents about the sorts of changes their community has undergone in the last decade or so, and how much of the change they would attribute to the opening of gaming facilities in the area. Natale was originally a retirement community that began attracting younger people in the 1980s due to new businesses opening in the area; lately, the area has been attracting more of everyone: businesses, retirees, and younger people who move there to find jobs. Every respondent mentioned the substantial population growth and new businesses that have opened, and the growing pains that come along with such change. The infrastructure has been strained by all the growth, with transportation and planning becoming local issues, and new construction continually taking place. According to the police sergeant, the law enforcement budget has increased because they needed more fire-fighting equipment and ambulances. In addition, the town provides one of the local tribes with fire and emergency medical services on their reservation, which is one of the local reservations running a fairly large casino. “The infrastructure is compact, but we have a lot of land to grow on.... Our budget has increased close to \$1,000,000 over the last 5 years.” Every respondent attributed little to none of this local development to the casinos. According to a city planner, “Even if the casinos hadn’t opened, it wouldn’t have affected our growth, either in terms of population or economic growth.” The newspaper reported stated, “It’s just across the highway, but it seems like it’s in another world.”

According to the mayor,

Our increased tax revenue is just due to the growth of the area. No state or local taxes are paid on any of that stuff that takes place on the reservation. It could have grown even faster. Since the gaming is on Indian land, it has not affected property values. I don’t even think it’s affected the adjacent land. As the casinos continue to develop, it could affect commercial property values.... Gaming has attracted very few people to the area for vacations or day-trips. These Indian casinos aren’t like Vegas where they bring funds into the economy. They just transfer funds within the local economy. Most of the growth has come from [nearby] residents looking for more affordable housing.

Another respondent told us that the casinos may have had a “small effect” on tourism, adding “It seems to me that there’s two types of people, those that go to sightsee, and those that go to gamble. I don’t think that there’s a large overlap.” Another interviewee indicated he’s heard that the restaurants have been most affected by the casinos. A consumer credit counselor indicated seeing more Chapter 11 filings in the area, but the significance of this is unclear, since she has only lived in the area for 3 years. Also, we were told that the town has seen no labor shortage, since the casinos generally hire Native Americans: “They basically have their own labor pool living right there.”

In addition to the infrastructure, social services also appear to be strained. According to an interviewee in Child Protective Services, their staff has almost tripled in response to the growth and the subsequent increase in the number of referrals. However, more

recently, the state has made cutbacks in social services, and managed care has also affected social services. “Our budget has decreased, but it’s not related to the casinos.” She indicated that the tribes had originally agreed to funnel “a fairly high percentage” of their profits into social services, but the tribes are fighting this now. On the other hand, she told us that lottery revenues have gone into education. The executive director of a mental health center told us he has seen an increased need for home-based children’s services, as well as a greater number of dysfunctional families experiencing either behavioral or emotional problems. He attributed 2 percent of the change his agency has seen to the casinos, adding that the main issue with the casinos has been substance abuse: “The casino employees earn money to have access to drugs, mostly cocaine.” He stated later, “We treat more dealers and casino workers than gamblers. These people brought the usage habits with them from Vegas, or wherever.” On the other hand, he has seen no change in the need for Gamblers Anonymous groups or other gambling-specific services in the area. In fact, the CPS manager told us that if such services even existed, she was unaware of them.

The consumer credit counselor told us her group is “seeing more and more people all the time. When the casinos first opened, we saw a surge in clients.” She indicated that the average number of new clients per month has risen about 25 percent. Gambling-related problems have fallen off generally since then, however, and right now they “play a pretty moderate role in the debt problems we’re seeing.” She also indicated a change in the types of people who come in with gambling problems, saying that initially they saw Anglo and Hispanic people with gambling issues, but that now they are seeing an increasing number of Native Americans. She estimated that about 5 to 10 percent of their clientele has gambling-related issues. However, “People don’t really talk about it... Many won’t admit that this is what their problem is. The ATM withdrawals at the casinos tip us off... I think ATM cards have played a large role, and I’m sure that we have seen an increase in credit and debit card gambling debt, as a proportion of total gambling debt.” According to her, the casinos in the area do not extend credit to patrons. She added that the largest bankruptcy firm in the area estimates that 5 percent of their clients filing for bankruptcy are doing so for gambling-related reasons.

We also asked informants specifically about crime in Natale—whether they’ve noticed an increase or decrease in crime overall or with regard to any types of crimes in particular. A couple people told us that Natale has the lowest crime rate in the state, including the police sergeant, who added that the main crime concerns right now are domestic violence, automobile theft, and burglary. However, the tremendous growth over the past 15 years has caused an increase in the crime rate, and the newspaper reporter told us that she has not seen a decrease in any particular types of crime.

The casinos have their own tribal police forces, and most, if not all of the casinos, do not serve alcohol. One respondent told us that one of the racetracks does serve alcohol. According to the newspaper reporter, substance abuse “is just maybe an average problem in our community.... As far as I know, the casinos are not a particular problem with the police force.” She added that the state trend for DWIs has gone down somewhat, and the police sergeant told us that DWI arrests have decreased locally even though they have increased checkpoints since the casinos opened. On the other hand, the manager in CPS told us that the rate of substance abuse addiction is “pretty high” in the area and the problem is growing; she added that the state overall has an “extremely high rate” of

DWIs. The director of the mental health agency, as we mention above, has seen a very slight increase in gambling-related substance abuse problems at his center.

Both the police sergeant and the reporter indicated that they have not noticed any increase in illegal gambling; the sergeant added, “we just have neighborhood poker games, which are technically illegal by the letter of the law.” He told us later in the interview that “There have been a few people who have gotten into trouble with it [gambling], with embezzlement.”

As we mentioned above, the manager in CPS indicated that she has seen her office’s referral rates go up, and she believed that this was due to an increase in the overall rate of such offenses in the community. She said her department only sees about one referral per month due to gambling, which she says “is really not that much.” She added that she has not seen an increase in domestic violence cases, but she did not feel she was qualified to comment on the issue since her agency does not get involved in such cases unless children are directly involved. The referrals her office gets that are related to gambling usually come to her from the domestic violence unit. According to the police sergeant, “Domestic violence has happened forever, it hasn’t grown, it’s just a nagging thing that no one can get rid of. We always respond quickly, and abused spouses no longer have to file a charge on their own, the ... system can file a charge if there’s evidence of a crime.” With regard to a local tribe, he stated that most of their calls have also been related to domestic violence.

Current Community Issues

We asked our interviewees what they thought was the primary social or economic problem their community faces at this time, and whether they believed that legalized gambling has had any affect on their city’s efforts to control this problem.

According to the police sergeant,

Domestic violence is probably the leader. We’ve also seen some child abuse, and we always move quickly on that, as well. We’ve made confiscations of some meth labs, and that is very dangerous stuff.... We have an officer stationed in the high school full-time and are working with the principal to keep drugs out of the school. She always moves quickly on suspected drug activity.

When asked if he thought legalized gaming has affected this problem positively or negatively, he responded, “I don’t think so. Even though they’re right on the edge of town, the casinos are not a prevalent source of trouble. Most people use it strictly as entertainment.”

Another respondent told us the primary problem was “quality, affordable, accessible day care.... [The Indians have] seen a glut of money coming in, and also a destabilizing impact on their cultures, but that would be a given.”

The city planner told us the primary problem was “Not enough funding for quality-of-life projects. More parks, trails, and a larger library are all needed.” She did not see legalized gambling as having any impact on these needs.

The credit counselor saw the primary problem in Natale to be “Probably low salaries, low income-levels, compared with other areas of the country. Housing costs are high.” Another respondent confirmed this, stating the city’s primary problem was “People who don’t have good enough jobs to afford the homes here. The price of housing is rising, which affects people in service jobs, some of whom have had to move.” When asked if she thought legalized gambling has had any impact on this, the reporter responded, “Sure. When people get addicted to gambling, especially I think statistically, they’ve shown that gambling affects lower-income levels more than it does high-income people.”

The mayor told us that the primary economic problem involves “funding through gross-receipts taxes, which are like sales taxes. Most of our people shop in [a nearby urban area], and we suffer a loss from this. It makes it hard as a municipality to provide services. I hate to say it, but [Natale] consists of 50,000 tourists for [that city].” He believes that legalized gambling has affected this “through a switching of entertainment dollars or discretionary income to gaming.”

When asked if they were pleased with the overall direction of their local economy, five responded positively, one adding that more people have access to jobs and services, another adding that the community could still use more retail. One person declined to answer one way or another, stating “There are a whole lot of factors impacting this area right now.” The remaining respondent said “No, income levels are below the national averages. [Natale’s] probably a little bit better off than the whole metropolitan area. I suspect that it would still be below the national average for a town its size, but I couldn’t prove it.”

Public Views on Gaming

We asked interviewees how they thought the community generally feels about having legalized gaming readily available. Everyone indicated that they believed the community generally found it to be acceptable. One respondent told us that only a small minority of state residents believe that gambling is morally wrong, and another added that groups exist that are anti-gaming, but said they are not particularly vocal in their county. Another said, “A lot of people ignore it and a lot of people use it.”

The credit counselor stated,

[The casinos’] parking lots are always full, even late at night and early in the morning! I would suspect that most of the plates are from [in-state]. I’m sure there are groups both fighting and supporting it, but most are just apathetic. It’s just here, and it’s part of what we have become. It’s just amazing how the elderly take to it. It’s either that or watch soap operas for them. We have people come in, and their retirement’s gone. The reservations are improving, though, without using government money.

The reporter told us that she thinks the general attitude in town is that gambling is “okay,” but added that there is “more to it on a political level. On a state level, there’s resentment that the Indians have brought in money, but are not paying debts to the state. The Indians argue that they are sovereign, and don’t owe the state anything. They do pay taxes, but they tend to stall and balk.”

We then asked our respondents what their personal expectations had been, before the casinos had opened, for the effects the gaming establishments would have on the community. One interviewee told us that before the casinos opened, the “media hype” was that they would share a portion of their net profits with the state, but he has not seen as much money going into education and other public services as the community had been promised. He added that the state has no way of checking how much money the casinos are bringing in, and “some casino employees are skimming money. The regulatory part of it is hurting. When Vegas first opened, the IRS wasn’t even allowed there. I think things may get better with this, but it would have to be the Feds and BIA initiating the change.”

We found a similarly split view with regard to the casinos’ effect on the local economy (although the first respondent appears to be speaking more to Natale proper, while the other is speaking to the area as a whole). The mayor of Natale told us, “My expectation would be that the casinos would tend to be a drain on the established business community, and that’s probably been true,” while the town planner said, “My expectations were increased jobs, and bringing in more people to the businesses in the communities. I’d say for the most part, gaming has done that.” The town planner expressed surprise with the increased traffic, particularly the out-of-state traffic; he added that he has seen a lot of people from a particular area who used to go elsewhere to vacation, but they come to the area around Natale now, perhaps for a change.

Finally, one respondent told us she was initially concerned for the traditional cultures in the community, and has found that her concerns were not unwarranted. However, she added, “the [tribes] have handled their problems internally.” She also told us she had not expected the casinos “to grow so big so fast.” This respondent and two others indicated that they did not have any expectations for Natale in particular. The consumer credit counselor indicated that she originally did not have any expectations, but that the results were predictable, in that problem gambling “seems to cross all economic levels, it’s just more noticeable with lower income levels.” She also expressed surprise with the fact that small, specialized businesses have been hurt, and with how many people are spending their disposable incomes in the casinos now.

In the last part of our interview, we asked respondents what their overall views were on the effects that legalized gambling has had on Natale. We repeat their answers below.

- “I don’t think it’s bothered the community. They have real tight security at [the largest local casino]; it’s a well-operated facility.”
- “It’s bringing more tourists and stuff to the area. Many people moved here to escape densely populated areas, and many locals don’t want to see rapid growth because of gaming. The new casinos have accelerated growth, and there’s talk of hotels and shopping centers. It’s changing the complexion of the laid-back, rural community environment. [Natale] was booming before gaming, however. It’s far enough away, I don’t think gaming affects it any.”
- “I don’t think it’s had much effect on us. We haven’t seen social programs need to come in, like Gamblers Anonymous or anything like that. We’ve just needed a better transportation system.”

- “I think there’s more negatives than there are positives. It does destroy families, and it does ruin people’s finances. The visible positive economic impact seems to be isolated to the reservations.... I guess it’s kind of a trade-off.”
- “I don’t think it’s had a big effect on our community.”
- “I don’t think it’s had that much of an effect on the community, negative or positive.... I guess not being a gambler myself, I don’t know that much about it. Maybe there’s more going on than I’m aware of. It hasn’t affected my life.”

CASE STUDY FOUR: NEWGATE

Our Respondents

For our case study of Newgate, we spoke with eight residents; our respondents typically had lived in town for most of their professional careers (and in a couple cases, all their lives), with a mean length of residence of 24.5 years (range of 5 to 58). In all cases except one, the residents had lived in the area prior to the opening of the casinos. Our respondents included two high-ranking officials in county social services, one specializing in child and aging services and one in welfare and employment training; the town finance director; the director of the local chamber of commerce; two executive directors of mental health centers; a captain in the local police department; and a lawyer. We found the people we contacted to be cheerful and willing participants, and quite a few spoke with us at length at the time of our initial call, despite their busy schedules.

Gaming in Newgate

We began by asking about the various types of gaming available within and nearby the town. Residents have access to a few charitable bingo operations (e.g., at the American Legion and VFW), as well as to the lottery, including the state lottery, Powerball, and scratch-off games, which can be purchased in convenience and grocery stores. One resident reported observing video lottery terminals in town, but it does not appear that these are common. Nobody could say how long either bingo or the lottery had been in operation, although a couple people said that bingo has been around “forever.” One informant noted that a bingo parlor had just opened in a town an easy drive from this community, and the establishment appeared to be commercially run; in fact, a quick check in the phone book revealed a few parlors in this other that appeared by their names to all be commercial.

The history of casinos in the area, on the other hand, is much fresher in people’s memories. A number of years ago, a ballot measure was approved by state residents to amend the constitution, allowing limited-stakes casino gaming (e.g., slot machines and \$5/hand blackjack) in certain local communities. These towns, with their dwindling populations and moribund economies, were in dire need of help if they were to recover economically. Once the measure was passed, about a handful of communities began building casinos, including a town called “Whitehorse,” which is within a fairly short driving distance of Newgate. Since that time, no other communities have chosen to open casinos. In fact, according to one respondent, residents of a nearby town took to the polls recently to vote on whether casinos should be allowed to open in their town, and the

initiative was rejected. “People around here want to be able to gamble, they just don’t want it in their town.”

Barely 6 months after the state amendment passed, about a dozen small casinos opened for business in Whitehorse, and according to most of our respondents, the number has remained fairly stable ever since (a yellow-pages search within this town’s limits turned up a few more than that, as well as a handful of restaurants and bars that advertised casino games). Some turnover has occurred in the last few years; the casinos that have closed have been mostly smaller, family-owned casinos that did not survive the competition from the larger casinos.

Community Changes

This small community of about 15,000 is the county seat in a jurisdiction of fewer than 50,000 residents. People who move to Newgate tend to stay, and residents say that not so long ago, everyone knew everyone else. However, the area has experienced quite a bit of growth this decade. Mostly responsible for this development are the several prison facilities that have been built in the area during this time. The town finance director indicated that some of the recent growth in the state was due to the opening of casinos, and that this is more than likely affecting the community, though indirectly. Furthermore, in addition to the aging of its indigenous population, the town also draws a large number of retirees, and currently almost one-quarter of the population is retired. In fact, residents alternately characterized the town as a “retirement community” and a “prison town.”

Sales tax revenues in Newgate have increased 10 to 12 percent per year for the last several years, a lot of new home construction has taken place, and few if any vacancies can be found on the main route going through town. Not all agree that this growth is positive, however; one informant, when asked about ways the community had changed, stated “More people. I’ve been here all my life, and you’ll hear a lot of people who have lived here a long time say this—I used to know everybody, but now I don’t. And there are all the problems that go along with that—more housing, construction, traffic...” However, it would appear that if a link exists between the growth in Newgate and the nearby casinos, it is a small one; according to a member of the Chamber of Commerce, “about the only way gambling has impacted us is that it’s a new form of recreation.” He added that the lottery, on the other hand, has contributed to the local quality of life.

Another positive result of this growth is that the number of people on the welfare rolls have decreased. Several people indicated that Whitehorse has given residents of Newgate some employment opportunities they did not have before, which has been particularly useful for people who do not have the skills or background that would make them suitable for working in a prison. However, the need for affordable child care has increased. The lack of local employment opportunities in Newgate has meant that parents have to travel outside town to work, and because they cannot always afford adequate supervision for their children, one respondent indicated that this has caused an increase in the number of reports of child neglect. It is presently unknown if parents’ gambling has created an increase in the number of such reports; two or three such cases had been reported in the past year where gambling was said to be the prevailing issue. The county social services department only began recording such cases recently.

Newgate has also had to improve its roads, and these improvements began almost immediately after the casinos opened. The roads connecting Newgate and Whitehorse were not constructed for the usage patterns now seen. A couple people noted that it seemed that there had been an increase in the number of traffic fatalities along the routes to Whitehorse, particularly in the winter, though the improvements have helped make the roads much safer. Such improvements also helped create new, if temporary, jobs, and they improve the accessibility of other employment markets in this region.

Current Community Issues

We asked respondents what they thought the major socioeconomic problem was in their community, and the responses fell neatly in two areas: a continued lack of employment opportunities and family problems. Some of the issues around employment are discussed above. Almost all respondents commented on the large numbers of working poor in Newgate, and their efforts to try to make ends meet by working multiple part-time jobs in places such as nursing homes and fast food restaurants. One respondent commented that one of the major problems she sees is an inadequate amount of low-income housing. Apparently, when the federal prison was built about 4 years ago, no new low-income housing was built to accommodate the influx of new residents; the landlords allegedly saw an opportunity and raised their rents, forcing people to move into even lower quality housing. This problem has eased a bit now, but as a result, many people are living in poorer housing than they did before.

It should also be noted that the number of bankruptcies has increased dramatically in Newgate. However, according to a lawyer based there, this does not appear to be the result of gambling: “I’d say less than 2 percent are directly the result of gambling, and in less than 5 percent of cases is gambling a contributing factor.” He added that for those people for whom gambling is a major or contributing factor, 75 to 80 percent of the debt comes from credit cards. He added that ATMs also play “a very big role” since they are located “right there by the casinos.” It should be noted that this respondent moved to the Newgate area about the same time the casinos opened in Whitehorse, so it is unclear what the long-term trend, if any, has been..

Another of the more serious problems in Newgate revolves around the family unit and the town’s youth. The county department of social services is seeing more troubled youth who need services at increasingly younger ages. One resident told us that adolescent crime seems to have increased, particularly drug use; the main problem used to be alcohol and marijuana, but now it is methamphetamine. According to an informant in social services, one of the problems her office is seeing is that parents will bring their children to Newgate from one of the larger bordering communities because “they have kids with problems, and they think that bringing them to a smaller town that has fewer problems will help straighten them out. Instead, what actually happens is that the kid goes from being No. 2 or 3 in the [gang] hierarchy to being the Big Cheese because they have all this information no one else does.” She added that about 75 to 85 percent of the cases they see in child welfare involve substance abuse in some way.

Similarly, a respondent in the local police department told us that he sees the main problem being the deterioration of the family unit. “Certain elements seem stuck in a rut. We have a lot of single moms in [Newgate].... We keep arresting the same people over and over, and then it’s their kids—you see the same families having problems generation

after generation.” His department currently has a project that is trying to address this issue.

People do not necessarily believe that the issues surrounding local families are linked to gambling, although the rise in problems seems to have come about at the same time the casinos opened. A couple people speculated that these problems are the inevitable result of the increase in population. One informant stated that a lot of parents go to gamble and leave their children unsupervised; in addition, the children see their parents make poor choices (i.e., to gamble), and they, in turn, do the same. Another person told us that because Newgate is in a rural area with a lot of extended families, he has seen more and more cases where the grandparents get hooked on gambling and neglect children who are their responsibility, and that he is seeing more and more children going into foster care because of guardians who gamble. One respondent told of seeing mothers pay for food with food stamps, and then going over to the lottery machine to gamble with their cash. Another respondent stated that gambling may be influencing youth “just because people are really addicted to it, and the dynamics of that has an impact on families as well, regardless of whether there are money problems, or a parent is never around.”

Public Views on Gaming

Overall, our respondents indicated that the people of Newgate have accepted or are in favor of the casinos operating in Whitehorse. A couple people said that it is just another available form of recreation—people like to go there for the weekend, or when they have relatives in from out of town. One respondent put it this way: “It’s another destination for the locals; most of us would not have gone to [Whitehorse] otherwise. I go about 2 or 3 times a year...” A couple people added that they believe that local residents also prefer that the casinos are not in their community. One respondent added that while it appears that people have accepted this change, “it looks sort of like a haystack curve—the liberal and ethical folks are against it, but the addicted are loving it.” This opinion was in the minority, however. Most people agreed that the casinos have not had that noticeable an impact on Newgate, and the effects that they have had seem to have balanced each other out, with some individuals having serious personal problems with their gambling, but the community as a whole experiencing some minor economic advantages.

Before the casinos opened, most respondents we spoke with did not think that the facilities’ presence would have an affect on the residents of Newgate and concluded that their expectations had been borne out. A couple informants stated that they had been anxious about “organized crime” or “a criminal element” coming in, but said that this has not happened. On the other hand, several respondents noted that the casinos have had a very noticeable effect on the town of Whitehorse, and we repeat a few of their comments below (the first two comments are from staff in the county social services department, and the latter is from a member of the Newgate Chamber of Commerce):

- “A lot of small businesses such as grocery stores, little tourist places, they’ve gone out of business as the land has increased in value and they can no longer afford to pay the property tax. The ones that didn’t go under were offered money for their sites...; they were made an offer they couldn’t refuse by the casino interests. Also, people aren’t visiting [Whitehorse] anymore to do tourist things—they’re coming to gamble. Some restaurants and hotels have opened—not luxury hotels, but little overnight places, what we call ‘express hotels.’ Also, housing values have increased.”

- “This is kind of trivial, but I find it really upsetting.... [Whitehorse] used to be a nice little place with little shops, and all those places were gone when I went back there [after the casinos opened].”
- “It was just exactly what we thought it would be.... When I was young, [Whitehorse] was basically a filling station and a restaurant. Then it became a tourist town. Now [there are the] casinos. The casinos have ruined [Whitehorse].”

When asked what their overall feelings were about the availability of legalized gambling in Newgate, people often noted personal observations of negative effects, though they did not want to generalize their impressions as being characteristic of the community. A respondent noted reading about a community member who was being investigated for defrauding more than \$100,000 from local residents, mostly elderly, for gambling. Another mentioned that, even though his feelings overall were positive, he has seen a lot of older people rushing up there the weekend after they get their Social Security checks. A mental health counselor noted an increase in the number of adult suicides in this county, which he believed was connected to gambling in casinos. In contrast, an interviewee stated that “There were a lot of nay-sayers originally, saying that [the casinos] would bring all kinds of problems to the community, but it hasn’t. There’s dog racing nearby..., and the lottery; I think those can create problems for people and be really addictive. But I don’t think that’s happened with the casinos.”

CASE STUDY FIVE: MONCTON

Our Respondents

For our case study of Moncton, we interviewed a community liaison officer, an analyst in the county administration office, the director of a mental health center, a staff member in the local planning department, the general manager of a check cashing/pawn shop, and the editor of a local newspaper. Our respondents have lived either in Moncton or an adjoining county for at least 15 years, with the exception of one, who has lived in Moncton for 2½ years. Respondents have been in their general line of work between 3 and 26 years.

Gaming in Moncton

Within Moncton, one can play the state lottery, Lotto America, and scratch-off games. Several bars provide charitably owned pull-tab dispensers for their patrons. There is also a large, tribally run casino that has blackjack, bingo, and slot machines, which has witnessed a couple expansions over the last 10 years. During this time, Moncton has seen its population virtually double. According to one respondent, the local tribe is one of the largest employers in the county and owns a fair amount of land within the Moncton city limits.

A short drive from Moncton, one finds a racetrack, which has been operating for about 10 years. Residents also visit two other tribally owned casinos within a 60-mile radius of town. No one was aware of any gaming establishments having closed down. One respondent mentioned that “[t]hey had local pull-tabs that do not operate any more. Some local organizations have lost revenue from that.”

The casino has reportedly increased gambling in the area, and is financially more successful than the racetrack. Pari-mutuel betting is on the decline, and has been for a long time in the area. It would seem that the casino has exacerbated that problem, taking away a portion of the track's business. According to one respondent, "I think people are somewhat more positive about the casino."

Community Changes

When asked if they were pleased with the overall direction of their local economy, the majority of our respondents in this town responded yes, with that of the store manager qualified by "it's tough to hire, though." One respondent was neutral, and one was negative. The latter stated, "[Moncton] needs more commercial development. It's over 90 percent residential. Overall, it's a very wealthy community." A couple people mentioned that the economic situation of the Native Americans in the area has improved since they opened the casino.

When asked generally about the sorts of changes the community has undergone since the introduction of casinos, three people mentioned an increase in crime. According to an analyst in county administration, the community has seen an increased need for law enforcement services and an increased burden on the infrastructure; he attributed about two-thirds of this change to the casino opening. He added, "We are also the most rapidly growing county in the metropolitan area." An interviewee in city planning noted that more infrastructure is needed, specifically roads and housing, and attributed about one-third of this increased need to the casino. He mentioned later that more low-income housing exists within the city limits now. The newspaper editor reported an increase in the wear and tear on the roads, which he attributed wholly to the casino opening.

The city planner stated that no new businesses have opened up as a direct result of gaming, with the exception of a strip mall the tribe opened on tribal land. According to the law enforcement officer, a new bridge "has contributed a lot to our growth. I'd say 80 to 90 percent of the population increase is due to the bridge going up." On the other hand, he stated that the local tribe is buying property and diversifying. They have opened a number of different kinds of businesses, including a credit union and convenience stores.

A director of a mental health center stated that his office has "had some crisis calls related to the casino, some related to child care with children being left unattended while the parents were gambling, some mental health crises occurring at the casino, maybe a few a year, also a slight increase in people that report problems with gambling addictions. Actually, their spouses usually call."

The manager of the check-cashing/pawn shop reported seeing a lot more advertising locally for Gamblers Anonymous. "Because of the casino especially, we see people who put up everything they have just to get that feeling of winning. They exhibit a whole other personality...." He stated that when he gives people "payday loans," he asks to see their bank statements, and he reported seeing a lot of withdrawals from ATMs located at the casino. However, he could not say whether this has been an increasing trend, or to what extent people use the loans they get from his business to gamble. However, he did say, "I have gotten more Chapter 7 and Chapter 13 notices since the casinos opened. One of our locations opened up around the same time as the casino." He seemed unclear on

the extent to which the casino had increased business. The newspaper editor told us he has “heard of people spending their whole paycheck there [at the casino]. Old people are always over there. In the crime reports, the possibility of a casino connection to money-related crime is always there.”

As we mentioned above, a few respondents noted that they have seen an increase in crime since the introduction of the casinos and an increased need for law enforcement services. The police officer we interviewed reported that forgeries, domestic violence, and assault have all increased; however, it is difficult to say how much of this is due to problems created by increased gambling, as opposed to the population growth during that time. He added that illegal gambling has decreased, and drug use has increased—“from cocaine on down.” The city planner also noted an increase in car accidents, thefts, and misdemeanors. Likewise, the newspaper editor mentioned an increase in crime, and believed that some portion of it was due to gambling. However, he too added that with the growth Moncton has seen, one could not reasonably expect crime to decrease. He stated that he has seen a lot more thefts and some assaults, most of the latter occurring on the reservation itself. He added that there was one murder last year between casino workers within the city limits of Moncton. Finally, the manager of the pawn shop told us he knew of two suicides, 2 or 3 years ago, both of whom were heavy gamblers.

The police officer indicated that the local tribe has a financial agreement with the city where they provide financial reimbursement to the city government in return for police and fire department services. According to the law enforcement officer, “The [tribe] kicks \$300,000 per year directly into the Police Department.” The newspaper reporter told us that the police force has added a liaison officer at the casino who works with security.

Current Community Issues

Respondents were then asked what they believed was the primary social or economic problem in their community right now, and whether they thought gambling had an affect in reducing or exacerbating this problem. One respondent declined to answer, stating that he did not know.

According to law enforcement, “Drugs is a big one. Single-parent families. Unsupervised kids. Too much money, too many homes with both parents working. Teenage drinking.” He added, “The community has not been affected a whole lot by legalized gambling, though 25,000 people do use the casino every day, and the community hasn’t fully taken that into account. There is still alcohol abuse in the [Indian] community, though we do participate in a safe-and-sober program, which is co-sponsored by the reservation and [Moncton and a neighboring town]. Use of hard drugs has increased because there’s more money in the communities.” An analyst in the county administration commented on this issue as well: “There’s a problem giving large sums of money to the younger tribal members. Some social problems are inherent with that. There may be a wider incidence of drug use, it may be just rumors.”

The director of the mental health center stated he believed that the primary problem in the county was “family functioning, keeping families together.” In terms of the casino’s impact, he added, “I would say it makes it slightly more difficult when gambling is an issue with one of the family members, but for most, it’s not a big issue.”

The analyst in county administration believed that the primary problem is that the current infrastructure is inadequate to support the growing population. She specifically mentioned health care and social services. She added that her department has had to reallocate resources to the area around the casino, which is densely populated compared to the rest of the area. The city planner told us the main problem in Moncton has been “The transition from small town to tourist attraction. We need more restaurants, and we need to maintain the roads.... The casino brought in jobs, but not necessarily just for our community. It’s not really benefiting our community, besides some jobs. Their area [tribal land] looks great now, but they’re in control of that.” Finally, the newspaper editor said he saw the primary problem as being the increase in crime at the casino, the additional cost of improving the infrastructure, and the traffic.

Public Views on Gaming

We asked participants what they thought the general opinion on gaming was in their community. We repeat their responses below.

- “I think [the community’s] fine with it.”
- “I don’t think it’s an issue one way or the other here.”
- “I haven’t heard any complaints. The casino restaurants are really good. It is a diversified entertainment complex. A lot of positive things are being done that wouldn’t have been done otherwise. There are negatives in that people lose too much money.”
- “[The community] has accepted gaming, but it’s not overjoyed to have it. It’s part of the community now. They’ve added [various public] services since the casino opened up, and that has helped public perception.”
- “I think there is a real mixed feeling about it. Most people don’t care, but some people have very strong feelings, either positively or negatively. The fact that the casino is tribally owned does impact perceptions, but opinion is split about that aspect of the situation, too.”
- “I know they don’t like it, though it generates more money for the city. It’s about 50-50. The Indians don’t kick in for infrastructure improvements.”

We also asked respondents what their own personal feelings were on gambling in Moncton. One was negative, three said they were “neutral,” and the majority (four, including one of the neutrals) expressed some sense of give and take. The city planner stated that he did not see any benefit to the casinos, later adding “Sometimes the cities get stuck with all the leftover problems. It takes away from patrolling. Things were better before the casino, that’s my personal opinion.” Nonetheless, the general consensus was that with everything taken into account, the casinos have had a net positive effect on the community.

Finally, we asked respondents what their expectations had been for the community once the casino opened, and whether they had had any surprises. Their comments varied quite a bit, so we repeat them below.

- “I didn’t think it would last, or be as big as it is. I’m surprised how full the lot is all the time. It’s the second biggest attraction in [the area, drawing] people from all over the world. Also, I expected more problems than we’re having. The security at the casino is really good, especially its cameras and surveillance.”
- “I assumed that the casino would create only minimum-wage jobs but no career jobs, and people would be brought in to fill the good jobs. I don’t know if the casino provides benefits or not. I also thought that visitors would go straight to the casinos, with little economic runoff. It has been the case with both.”
- “I really didn’t have any [expectations]. I think we prepared for the social impact. We thought we might have more demand for Gamblers Anonymous and other things. While we’ve seen some of that, it hasn’t been huge.”
- “I didn’t realize there would be so many problems from people coming in, in terms of the police, rescue units, and housing. We have two-lane roads that now should be four-lane. Why should we pay for it? I guess I’ve been surprised at how people have lost their paychecks, how it has affected families, people with gambling problems.”
- “Within the community, I expected a lot more growth. We’ve had specialty stores open up. [The casino] has created a lot of jobs. It’s also shortened up the live racing season at [a local track]. Many of the laid-off [track] workers moved right over to [the casino]. The managers have moved in from other areas. I was surprised that it’s been such a good thing for my business. It’s increased demand for loans.”

CASE STUDY SIX: TALMAIRE

Our Respondents

In Talmaire, we interviewed seven respondents; they have all lived in the area for at least 18 years, at least two for all of their lives. They included an intake counselor, two law enforcement officers in different divisions of the department, a counseling agency director, and a planning official.

Gaming in Talmaire

A variety of game types, including lottery, bingo, and off-track betting, are available within the Talmaire town limits. Bingo appears to be run and financed by local churches. Just a few miles away, residents can attend horse and dog tracks, and a little further, one can find additional pari-mutuel facilities. According to one respondent, the racetrack and state lottery are all financed by the state. The lottery has been in existence more than 15 years, as has the greyhound track. Less than an hour’s drive from Talmaire are two tribally owned and financed casinos, which opened about 4 years apart in the early 1990s. No residents had any recollection of any gaming establishment ever closing down. Finally, respondents indicated that people were more involved in casino gaming than any other type.

Community Changes

Interviewees were asked what changes they have noted in the community in the past decade or so and whether these changes appeared to them to be related to the increased availability of gambling. A member of the town planning board indicated that he had seen a steady amount of residential growth and a boom in commercial building. He said this had no relation to the increased availability of gambling over this time. A respondent in law enforcement reported seeing more youthful, violent crimes, as well as a greater number of thefts. The former seemed very unlikely to be attributable to gambling, and the thefts seemed unlikely to be related as well, according to this informant. Another respondent in law enforcement stated he did not think the community had experienced any changes that could be statistically linked to gambling, but that “we all know people who have lost their homes, suicides, and others who suffered financial losses due to gambling.”

An informant at a local mental health agency reported seeing an increase in the need for services at his center and in the community in general, which he connected to the expansion of legalized gambling (including the lottery). Another interviewee confirmed an increase in lottery playing, and also indicated an increased interest in bingo over the last 10 years. An interviewee in social services likewise indicated that she had seen an increase in the number of people who need addiction-related services over the last decade. She stated that many of the people who have gambling problems have substance abuse issues as well, and can get treatment through the state-subsidized drug treatment program. Unfortunately, people who only have gambling problems cannot get treatment through this program. She added that even if they cannot get treatment there, people with gambling problems will usually turn up elsewhere in the system, since gambling problems usually lead to other problems. She was unaware if there had been any actual increases in child abuse or domestic violence due to gambling, but stated that she had seen an increase in family stress in the community, and she believes that gambling is a factor. Another respondent in social services indicated that she had seen an increase in domestic violence, and added that gambling is also affecting the elderly community with regard to financial problems. She stated later that “People are spending a lot of time gambling—definitely. The elderly and blue collar workers especially.”

Four respondents, including one law enforcement official, stated that they had not noticed any change in crime over the past 10 years in Talmaire, despite the downward trend in violent crimes elsewhere in the nation. One respondent indicated that based on news reports, she would say that crime was increasing. A police officer indicated that when he worked a stretch of highway connecting the casinos to the city, he saw more drunk driving arrests than in other parts of his jurisdiction.

Current Community Issues

When asked what they thought the primary socioeconomic problem was in Talmaire, the responses were varied. Two people mentioned youth—one with regard to youth crime and the other regarding concerns with their emotional health. Two respondents said that high taxes were the primary concern. Two other interviewees mentioned an increased need for job opportunities; according to one of them, “economically, industry has diminished; jobs are difficult and not high paying.” Other responses included “housing, living costs, just basic needs” and “impulsive gambling—overspending.” No one mentioned that gambling has played any role in providing jobs, and only one person

mentioned that they thought the economy had improved. However, all respondents said they were pleased with the overall direction of their local economy except for one, citing the problem with high taxes.

Public Views on Gaming

In general, the consensus appears to be that people like having casinos nearby, but they do not want them in their area; a few respondents indicated that the debate over casinos is very heated at present. One factor that may be influencing residents is that the area is already known for its illegal gambling and has a history of organized crime. On the other hand, as one respondent put it, “I felt that entertainment money would go out of [Talmaire] and into another community, and it definitely has.”

Interviewees’ responses were varied regarding their personal expectations of having casinos nearby. Three respondents stated that they did not expect that anything would change in their area and that their expectations have been borne out. In the words of one respondent, “I didn’t expect anything and [our area] didn’t gain by it.” A fourth respondent did not indicate his expectations, but did note that he had not seen any benefits for the surrounding communities. A law enforcement officer indicated that he had expected more jobs, but that problems would outweigh the benefits; he did not see that either of these had occurred. He stated later that the police departments near the casinos have benefited financially from their presence, but that nothing had changed in his area. Finally, a respondent stated that she “had a doom and gloom idea, but I see the economy has improved.”

Finally, respondents were asked their overall feelings about the effects, if any, of legalized gaming in the Talmaire community. We repeat their responses below.

- There has been an impact on families, i.e., child abuse, financial difficulties and domestic violence.... I’m hoping it does not come here.
- None.... I wouldn’t be opposed to having a casino in our community, even though I am sure there would be problems.
- I think it’s giving the problem of financial loss to gamblers.
- I would say very modestly negative.
- I don’t perceive [any affects].
- I think it’s a good thing for those who show control. For those who can’t, there is help available.
- I don’t see it as a negative thing. The majority use it as entertainment.

CASE STUDY SEVEN: REGINA

Our Respondents

As part of our case study in the Regina community, we spoke with the local chief of police, the head of the local planning board, the executive director of a local center for

problem gambling, two county administrators, a staff member in a local domestic violence program, and an attorney. We asked people how long they had worked in their department or agency, and our responses ranged from 4½ to 37 years, with a mean of about 16½ years. Interviewees have lived in the metropolitan area between 19 and 60 years, with the exception of the domestic violence professional, who moved to the area around the time the casinos opened.

Gaming in Regina

Regina is located in a multi-county metropolitan area with a total population of more than 300,000 people. Regina is one of the more densely populated jurisdiction within this MSA. The area as a whole has several casinos, including one within Regina proper. The casino is a prominent feature of the landscape in this city, and is given a great deal of emphasis in literature intended to attract visitors. A visit to the websites for the various jurisdictions comprising the area revealed that the other towns and jurisdictions give very little space, if any, to their casinos, while the Regina website makes gambling a prominent feature. The casino presence seems inescapable, even in the mundane activities of day-to-day life. According to one of our interviewees, the metropolitan police department has even held meetings in the casinos on a couple occasions.

In addition to visiting the casino in downtown Regina, one can play the state lottery (including big-jackpot, daily, and instant) and a multi-state lottery. A number of bingo establishments are located here, which according to respondents are mostly charitable. Two interviewees mentioned illegal gambling, including bookmaking. Football parlay cards and other types of sports gambling (e.g., office pools) appear to be especially popular. Nearby, one respondent told us one could place wagers at an off-track betting parlor; another respondent knew of a track close by. Residents also are within easy driving distance of a casino outside the metro area, and a couple respondents mentioned a tribally owned casino popular with residents that is located about two hours away.

Respondents gave fairly consistent histories for the different types of gaming in the area. A handful of casinos opened in the early 1990s. One participant told us, “Originally there was a betting limit, and I think there was a maximum amount you could leave in a day.” However, a neighboring community then began offering unlimited gambling, and Regina ceased having limited stakes gambling. “After that, people could use credit cards and the ATMs right in the casino, but there’s been a movement lately to get ATMs out. Some of these changes were due to a change in government regulations, and some were due to the casinos changing their policies.”

Funding for the casino in Regina has been “totally private,” according to our informant on the planning board, with the exception of the approximately \$200,000 the city spent as part of the process to choose who would come in to operate the casino. In the state as a whole, “[t]he casino operations...have an agreement with the not-for-profit local development authority. State law defines a certain percentage of profit that goes to the state, and in [Regina], we also lease the land for the operation and we get so many cents per passenger. Also, since they don’t pay real estate taxes here, we have them put a certain amount of funds into local projects.”

It does not appear that there has been much turnover since the original casinos were established in the metro area. A few interviewees indicated that a casino opened in

another town in 1991, but left after 1 or 2 years; it was immediately succeeded by a larger casino, which is still in operation.

Consistent with our other case studies, respondents stated that bingo has been around for a long time, but no one could say when it began. According to one respondent who has lived in the area about 20 years, “Bingo’s been here as long as I have; it’s kind of a big deal around here.” Regina had a racetrack open nearby in the early 1980s, but it since has closed. According to respondents, they just were not attracting customers due to competition from the casinos. Last but not least, “The lottery has been around forever.”

It should be noted that while our interviews did not focus only on casino gaming, our respondents in Regina generally chose to answer our questions about legalized gambling as if casinos were the only available type. When interviewees were asked if they had seen any community trends over the past several years which were tied to a particular type of gambling, they responded either that people spent more money in the casinos than on the lottery or, as one respondent phrased it, that “the problems have always been with the casinos.”

Community Changes

Each respondent told the story of how, in the early 1980s, a number of large manufacturing companies either shut down or reduced operations. The urban core workforce was reduced by 10,000 to 15,000 jobs. According to the head of the planning board, the area experienced a “great economic difficulty and distress.” Regina still has not gained back all the jobs it once had, but the town has been actively seeking ways to continue its economic recovery, and one of the ways it has done this is through diversification. The casinos have been part of this effort: “It’s been a catalyst for development in the downtown/riverfront area. Gaming is seen as part of a tourist package,” according to the planning board director. Originally, “people were bussed in as far as [almost 200] miles just to gamble. But now gambling is more of a local, evening pursuit. The busses still come, but it’s usually part of a multi-day trip where they’re coming through our area, and they gamble here because it’s part of the entertainment, but that’s not why they come.” He stated later in the interview that efforts are ongoing to try to lure casino patrons into spending more time in the downtown area when they are not in the casinos.

Every respondent brought up the fact that the casinos were giving back to the community in tangible ways. They have given money to the schools, nonprofit agencies, and fire and police departments, as well as towards local parks and a loan pool for historic preservation projects. The industry also puts money into addiction services; according to a respondent, “When they casinos came in, part of the deal was that they would invest some of their money [into the local gambling addiction program]. I remember when they first opened, I went into one and they had a sign hanging up that said that a portion of the money I played would be contributed to help people with gambling problems. I thought, ‘Great, I’m investing money in myself someday, when I’m in trouble!’” A couple other interviewees mentioned seeing public service announcements for problem gambling. One interviewee stated, “They do a good job advertising on TV and in the paper, making sure people know where to call if they have a problem. They don’t do the ads directly, but the gaming authority that oversees them has a byline on a lot of the ads, and they’re very closely tied in with the casinos.”

The casino in Regina appears to have had a modest effect on the city's economy overall. "It's been a boost for existing businesses," according to the head of the local planning board. "Some people have made statements that it's been detrimental to existing business since the casinos are capturing the discretionary funds of local consumers, but that is more anecdotal, no one has proved any connection definitively.... Some restaurants have said that they've closed because they took away business, but who knows, it may have just been the straw that broke the camel's back." According to a social service administrator, "There's a lot more building going on—shopping centers, they just built a new theater that's a multiplex, state of the art, there are a lot of expensive houses going up, a lot more fast food places, and the downtown's picked up some. The problem downtown is, there's no parking, and no shopping, either. But they just built an entertainment center, and it's probably one of the nicest things that's happened here lately. They have hockey, and concerts, and they get sold out all the time." An informant in human services summed it up, "It's brought the downtown to life a bit."

With the extra money brought in by the casinos, the planning board was able to put together a "package of improvements," including a parking ramp with an office tower. "The casinos weren't the reason [the company] came in, but they were a symbol of revival for the community, and this made them more confident to invest in our downtown. Also, we've been able to secure the interest of another developer to build a hotel, again, not because of the casinos, but that came into the equation. The catalytic impact has been key in promoting downtown revival after its decline."

According to a staff person in social services who handles income maintenance services, "The caseloads have gone down, but that's mostly due to welfare reform. The ones we have left are the harder cases, the ones with less skills. There are jobs available, just not enough good-paying ones to get people off assistance." Most of the people he has helped work multiple part-time jobs to make ends meet and do not receive any benefits. He stated that the casinos have had no effect either way on this problem; a few people in his program have gone on to work in one of the casinos, but he and others stated that the jobs in the casinos are almost all part time.

While some businesses may be doing better, personal finances appear to have taken a turn for the worse. According to the executive director of a center for problem gambling, "there has been a 10-fold increase in the number of pawn shops" in Regina, and "in pay-day check loans." An attorney in Regina told us, "There's no question they [bankruptcies] have increased.... Gambling is a significant factor in a percentage of cases." We cannot conclude that this lawyer's experience is typical of attorneys that handle bankruptcies in the Regina area, since he receives referrals from a local problem gambling group. According to this respondent, gambling debt is the leading cause in up to 20 percent of his cases. However, his experience appears to show a trend. He says of people who file for bankruptcy, "When people file because of a gambling problem, it's rarely a secondary problem, meaning it's the main reason they file. There are about 7 or 8 traditional reasons why people file for bankruptcy, and gambling is now part of the list. [The reasons] are very intertwined, so it's difficult to rank them, but they include divorce, health care expenses, irresponsible spending, no auto insurance, business failure (there's been a lot of farm failures here), job loss. If I had to rank them, I'd say gambling would be third or fourth." He also indicated that he has seen an increase in credit card debt as a proportion of total gambling debt. Currently, "About 80 percent of people with gambling

debt put it on their credit cards. But by then they've already gone through their savings, and I don't see that part of it." He could not say whether ATMs have played a role.

We also asked respondents whether the amount or nature of crime in their community has changed. According to the chief of police, drug-related crimes such as possession and sale, as well as alcohol-related crimes, are currently prevalent, and violent crime has decreased. However, he stated that the decline was occurring at a slower pace than in the rest of the state, which he added may or may not be attributable to the casinos.

In the past 4 years, from what I can see here [looks at data for the city], crime's gone way down. Homicides are down, forcible rapes are down slightly, robberies are down by one-third, aggravated assaults are down 20 percent, burglaries are down 15 percent, larceny/petty theft has been pretty stable. These figures aren't exact, since I'm estimating them from the raw numbers, but that gives you a pretty good idea of how things have changed."

Even though the crime rate has been going down, he stated that the number of service calls have increased quite a bit overall, particularly for traffic-related problems, motor vehicle thefts, domestic violence, and noise. "Motor vehicle theft took off, but that was as a result of drugs. To get credit to buy drugs, people will let a drug dealer use their car for a week, and then they report the car stolen."

So-called white collar crimes may or may not have increased. The director of the problem gambling center indicated that he believed there had been an increase in check fraud and embezzlement. The chief of police stated that the FBI has an office near Regina, and he communicates often with the field officer there. He said that "the field officer indicated that as a result of gambling, we've seen more bank frauds and embezzlements, although I can't say that's something I've seen.... When [the casino] first came in, I had an officer assigned specifically to the immediate area, and I was anticipating a lot of crime down there. But it didn't materialize, so he was assigned elsewhere."

The presence of the casino appears to have been at least partially behind the decline in robbery in Regina. A large part of the area surrounding the casino is a city park. Prior to the casino, the downtown had a fairly high crime rate relative to the rest of the city, particularly for robbery. Apparently, the park area would draw a lot of gay males after dark, and they were getting held up there on a nightly basis. "But when the city moved the casino in, there was a lot more foot traffic in and around the park area, and this pushed that population out—so they weren't getting held up anymore. The robberies are not as concentrated these days, and the numbers have fallen off in the long term."

Finally, the presence of the casinos may be having an effect on underage gambling. A gambling counselor told us, "There are more kids gambling too—they see their parents gambling. They mostly gamble on sports and the lottery. We've had a few cases here [at the problem gambling center] of kids with problems who would go gambling at the Indian casinos in [another state], where the minimum age to get in is 18."

When asked about general changes in the community, two individuals brought up domestic violence in particular. A staff member in the domestic violence advocacy program stated that she has seen "a slight increase" in the need for services; she attributed this to an increased awareness about domestic violence. The chief of police volunteered

that his department gets about 6,000 calls per year for domestic violence, and this number has increased about 10 percent over the last few years. He did not know if this increase was related in any way to gambling, but mentioned that he had to arrest one of his officers for “a domestic situation” stemming from a fight concerning “all the money he was spending at the casino.”

A mental health counselor also described the strain gambling has created in the families he has worked with; for example, “divorces have increased, especially because gamblers lie to cover what they’re doing and trust erodes.” He stated during the interview that he “used to work part time and see maybe 30 to 40 people per year back in 1987. Now I’ve hired four other counselors, and we see 400 to 500 people per year. Part of the problem is, with the casinos, people are exposed to the most addictive form of games.... People [addicted to gambling] come to us with debts, marital difficulties, legal problems, emotional problems such as problems sleeping or focusing on their work....gambling consumes them.”

It does not appear that Regina has seen any increase in child abuse in the last 10 years; in fact, data support that there has been a decrease in the last couple years. However, the nature of the cases may be changing. A supervisor in county social services said of her experience with child welfare, “We’re obviously getting more calls regarding the supervision of kids; they’re often left in cars unattended. Especially in the summer, we see at least one or two of these cases per week, even late at night, when it’s not unusual for the security guards to find a kid sitting alone in a car. Also, more families need food or don’t have enough money, and people sometimes say that gambling or bingo is the reason, which never used to happen. [The local gambling program] was struggling to get by when the casinos first opened, and now they’re going full guns.” With regard to the number of families her department works with, she stated that the caseloads have consistently increased over the last 12 years, but that she did not “see anything I could tie into gambling per se.”

Another issue, which the gambling counselor spoke of, was suicide. “Two people who came to the program committed suicide 2 and 4 years ago, and then we’ve had five others in the [metro] area who committed suicide all within the last 2 years. These deaths were due to gambling problems, primarily the debts they amassed. We know this because some of them attributed their suicides to gambling in their suicide notes, and one of them was a salesman from California who killed himself outside a casino after losing a lot of money gambling. In the program, at least 50 percent have reported suicidal ideation due to gambling problems. I believe there have been a lot more attempts and suicidal thoughts because of the casinos opening.”

Current Community Issues

Next we asked people what they thought was the primary social or economic problem their community was facing right now and whether gambling has had any affect on the community’s efforts to control that problem. One person said gambling, but qualified this by adding that he sees things this way because of his position as a director of a center specializing in gambling addiction. “I think there are, in reality, 2,000 or 3,000 people in [Regina] who have gambling problems.... The community has been getting more money for nonprofits, like grants for the schools and for United Way. But it’s tiny compared to the amount of money they’re taking out of the community.”

The counselor added that the community also has problems with crime and gangs. The chief of police indicated that he thought drugs and alcohol were the primary problem, and could not indicate either way whether he thought gambling was helping or hindering the community in fighting this problem. According to the lawyer we spoke with, crime and drug use (particularly methamphetamine and crack-cocaine) were the major socioeconomic problems the community faces. “But there are not really bad problems in the city. The economy’s pretty good....The impact of gambling on crime has been minimal. Trespassing, people sneaking in the casinos who aren’t allowed, public intoxication—those are the main problems.”

Three informants responded that employment was the primary social or economic problem Regina faces at this time. The head of community and economic development was most concerned with the continuing economic recovery. He stated that many of the new employment opportunities were not as well-compensated as the manufacturing jobs that were available 20 years ago. He added that the casino has not been as much of a “direct job generator” as people were hoping. The casino may have created as many as 1,000 jobs, but many of those were in a hotel purchased and renovated by the casino. “Probably early on they created more opportunities for people, but that’s less true now.” A respondent in the local income maintenance services stated that the main problem is “Jobs—good-paying ones. There aren’t enough jobs that can give people enough benefits to get them off assistance. They work a couple part-time jobs, and don’t get any insurance or health care, and they get really scared about what’s going to happen to their families, and they feel it’s just safer for them to stay on assistance.” He added that public transportation is “really poor,” particularly for people who work second shifts, since the busses do not operate after 6 p.m., and that adequate child care does not exist. He stated that some of the casino grant money goes to these agencies, “but it’s hard to say if it’s had any effect.” Another respondent agreed, adding “They’re certainly always hiring, and there have been new businesses that have opened, but most of these jobs are part time.”

Finally, an informant from the domestic violence program stated that the biggest problem she has seen among her clients and those of other departments is a lack of affordable, adequate housing for people who have been displaced—whether from losing their jobs or domestic violence. She believed the casinos have had an indirect effect through the grants they have given to nonprofits, including organizations that specialize in aiding victims of domestic violence.

Public Views on Gaming

Each of our interviewees was asked how they thought the community generally feels about having legalized gaming readily available. All respondents spoke only of the casinos in answering this question. The director of the problem gambling center stated that the community voted in favor of the casinos coming in, but he thinks in general that people are more aware now of the problems that come with casinos. On the other hand, three people mentioned that originally a great deal of public debate took place over what the effects would be, but now “they’re just part of the scenery....Once in a while you hear something in the news if something new is going on, but that’s it. Or if an underage gambler is found in one of the casinos.... And then twice a year I think they announce in the papers the amounts of grant money they’re giving out, and who it’s going to and why.”

“There originally was some focused criticism and concern, but that’s dissipated over time. There was strong support for the casinos in the referendum (maybe more than 60 percent, but it was a while ago and I don’t remember), but there had been some criticism—that it would ‘taint’ our community, and we’d become known as a ‘gaming town’ and have a reputation for that, but I don’t think people think of it in those terms, and I don’t think that’s happened in terms of how we’re viewed by other communities.”

The remainder of the informants said that it depended who you spoke to or that people were basically of little opinion. One interviewee summed it up as follows: “I don’t think a lot of people spend one second of their day thinking about it. They just don’t pay attention to it; it’s like the arena, people get interested in the basketball games there if they go, but otherwise people just see it as another form of recreation.”

We asked participants what their expectations had been for the community once the casinos were legalized and established. Two respondents said that they had no expectations, and one said she did not know what to expect: “I grew up in the Midwest, not around the gaming industry. I heard a lot of people expressing their views on both sides of the issue, but I really didn’t have any feelings one way or another.” One pleasant surprise she had was that the downtown became safer, particularly the park; she was particularly pleased that she could ride on the bike paths again.

The rest of the respondents likewise indicated some element of surprise in the way having a local casino turned out. For example, three interviewees expressed disappointment that the city’s original conception of how the downtown would be was not borne out. “They used to have activities for kids, but that fell apart fairly quickly.... It was originally sold to the legislature as a family-oriented activity, with gambling only a small part of the picture.” The head of community and economic development stated, “Early on the expectation was that [gambling] would be larger—more dominant and significant—than it has been. It’s been more of a localized activity. We had the idea of building it up like a family theme park, and that wasn’t realized, so there’s been some disappointment in that. And we were also hoping for more development than what has occurred. So it’s less grand, but it’s also less bad, than we had expected.”

Another respondent described how things changed over time, and the casinos began drawing a larger and broader segment of the population, attracting clients who might otherwise not have gambled, or who were not frequent gamblers (e.g., those players who restrict their gambling to visiting Las Vegas once or twice a year). The interviewee went on to say that this combination of unlimited gaming and allowing people to use credit and bank cards while in the casinos has caused the numbers of people with problems to extend much further than he had expected, and “tainted” the atmosphere around the casinos. Another respondent stated, “...no one’s holding a gun to anyone’s head and making them play.” He added, “But I do know of one family where the wife started gambling, they were farmers, and he didn’t know she was going to the casinos, and she sold all their grain. I’m not sure how much they lost, but it was in the six figures.”

A few interviewees mentioned that they originally had thought there would be more crime, including the chief of police, an attorney, and the head of community and economic development. According to the attorney, “I have a criminal practice in addition to doing bankruptcy, and I thought there might be more crime, but [Regina]

doesn't even need to patrol the area around the casino. They have their own security patrol, and I don't think they even carry guns."

Finally, one of the respondents indicated a general expectation in the area that money would not go back into the community—that bringing in a casino would make Regina another "Atlantic City." But according to this and the rest of the respondents, money has gone back to the city in the form of grants. "On the other hand," he added, "the city seems to rely on that money, and I don't think that's good either."

People seemed divided on how much having a casino has changed downtown Regina. One respondent, who had indicated a personal objection to gambling, told us, "The downtown's really been cleaned up, and there's been economic development down there, plus we seem to have more tourist-y activities." Another respondent who expressed satisfaction with the outcome stated, "the good part is that they give a lot back to the community, and it's really improved the downtown. The food there is excellent and reasonable, they fixed up the levee, and two new hotels were built." On the other hand, another respondent stated, "there hasn't been any business development, maybe a motel or two, and more pawnshops. It hasn't helped the downtown, and [the casinos] put back a paltry sum compared to the [millions] they take in per month, and they're all owned by people from out of town. So overall I'd say it wasn't a good thing."

Our participants overall were clearly happy with the changes the casino has brought about. However, with regard to the grants given out by the casinos, respondents were mostly aware of them secondhand, even though the majority pointed to them as a significant, if not the most important, example of how the casinos were benefiting the community. Interviewees consistently mentioned that twice a year they saw on the news or read in the paper who the recipients of the latest round of grants were, but only one person mentioned seeing any benefit from these grants, and no one could tell us how much money was given out.

Finally, we asked respondents what their personal views were regarding the effects (if any) legalized gambling has had on their community. Their verbatim responses follow.

- "I guess...I don't have a problem with it. Some people do have addictions, and they need to seek help for them. But for the people I see who gamble, it's a diversion, and I've seen what it's given back."
- "I still have a moral and ethical problem with it. First there was the state lottery, and now the casinos, and I don't think the state should be involved in that. One day it's illegal for people to gamble, and the next it's okay because the state's invited [the casinos] in....I'm sure the economic development's been good for the community, but I don't have any stats on that. I think the city could have done a better job in working out a plan to determine the amount of money that would go to city government. At least, law enforcement isn't seeing any of it. The casinos do contribute money to programs like D.A.R.E., but I don't think it's right—drugs are a vice crime, and gambling was once a vice crime, and they're using money from gambling to support D.A.R.E.—I have a problem with that."
- "I think there was a public naïveté before with casino gambling and how addictive these types of games are, but people are starting to deal with this better."

- “All in all, it’s been beneficial. It’s been less than what the proponents had projected, and not as bad as the critics were saying. It’s turned out to be a significant catalyst to existing business infrastructure more than a specific economic feature in and of itself.”
- “I think it’s fine. It’s okay for me. People say it causes all these problems, with people getting hooked, but no one’s holding a gun to anyone’s head forcing them to play. I could understand if that was the case, if someone held a gun to my head and said ‘You have to gamble,’ but no one’s doing that to anyone.”
- “I’m neutral. But the financially vulnerable families—I don’t like that it’s so readily available to them. But it has brought back a tourist trade.”
- “I think at best it’s neutral. I don’t think it’s a big deal. I get a little more business [from people filing for bankruptcy], so if you want to look at it that way, it’s been okay for me. As an overall rule, I think most Americans don’t like people telling them what to do. People here were just going [elsewhere] to gamble in the casinos, so we figured, why not have them spend their money here?”

CASE STUDY EIGHT: LAMBETH

Our Respondents

For this case study, we spoke with an officer in the local police department, a staff member in the state social services department, directors of nonprofit organizations dealing with compulsive gambling and economic development, a consumer credit counselor, and a newspaper editor. Respondents have been in their current lines of work for varying lengths of time, clustering around 6 years, 10 years, and 20 years (mean of 10.3 years). With the exception of two interviewees, our respondents told us they have lived in the area for at least 14 years. The exceptions were (1) a respondent who has lived in town for 3½ years and (2) a respondent who has been working in town for the last 7 years, but who does not live in the immediate vicinity. It should also be noted that one of the respondents moved back to the area 3 months ago after working in another part of the country for the last 2½ years. We took these factors into consideration when reviewing our responses.

Gaming in Lambeth

Respondents emphasized the variety of gambling options available to the local consumer in this city. Residents can play both Powerball and the state lottery—“State lottery tickets are available at almost all gas stations and convenience stores.” The state began running a lottery in 1992. Only one respondent mentioned bingo; she reported five bingo parlors in town.

Several residents mentioned video poker being available at “numerous business establishments” or “outlets.” These businesses have been steadily opening since they were legalized in the early 1990s. One resident stated that “[n]om-and-pop restaurants and fast-food chains have three machines apiece.” Respondents reported that “[v]ideo poker game rooms are everywhere. There’s one 30 miles outside of [town] which is

probably the biggest deal.” According to another, “There are video parlors in all directions, at bars, and restaurants.”

In addition, this city has a major thoroughbred racetrack, which has been in operation for the last 20 to 25 years; according to one resident, it “grew dramatically” until other forms of gaming started becoming available around 1990. One respondent told us that the racetracks in the area have been trying to get slots, “but the State Legislature wouldn’t pass a tax for the machines even though a local vote passed.” When we asked for clarification, we were told that to understand this, “You have to understand [state] politics.” The town does not have dog racing or jai alai, and sports betting is illegal. However, residents may bet on jai alai and dog races at off-track betting parlors.

Lambeth also has a number of casinos; the first opened in 1994, and the remaining shortly after. A couple respondents said that residents also go to a casino located less than a mile outside town. None of the casinos in or near the city is owned by an Indian tribe, according to our informants. We were told that, of the casinos in this state, only a handful are Indian-owned, and the closest tribally owned casino is several hundred miles away.

We asked respondents if any gaming establishments have closed down, and all but one respondent told us no; he stated that a few video poker locations have closed down, but these are usually operated in bars, and “bars open and close all the time.” He added that he had first-hand knowledge that the reason some of them closed was because the owners were compulsive gamblers. We were also told that there has been a decrease in lottery participation, since people are now choosing instead to go to the casinos, and a couple people mentioned that the casinos have taken business away from the racetrack. Another respondent told us, “The tracks have pushed to introduce slot machines to combat declining revenues. A referendum on video poker at the tracks drew 70 percent support last year.”

It should be remembered while reading this profile that while our interviews did not focus only on casino gaming, our respondents generally chose to answer our questions about legalized gambling as if casinos were the only available type of gambling available in Lambeth.

Community Changes

We asked respondents about the sorts of changes their community has undergone in the last decade or so, and how much, if any, of the change they would attribute to the opening of gaming facilities in the area. A social service supervisor told us that there have not been any changes in the services they provide; she added that statewide, the department has added more than 100 people to its staff since the casinos opened. She stated that their welfare rolls have not decreased, but that many families now work at the casinos. She attributed 80 percent of the improvement in the local economy to the casinos. She added, “We’ve seen improvement on the highways, and constant construction, including the establishment of [an interstate in a nearby town], which was started in 1996 or so, but is still not completed. A lot of new entertainment has come to the area that never would have before.”

An officer in the local police department told us, “There’s been an increase in employment. There’s been an increase in restaurants, and a housing boom. [The city] is not laid out for tourism per se, and there have been traffic problems. We needed a special fire truck for a new hotel, and the casinos helped us with that. The city’s law enforcement budget has increased [in the six figures every] year since the casinos arrived.”

Another respondent, the director of the state association on compulsive gambling, reported an increase in the number of persons needing assistance for compulsive gambling problems in Lambeth, “though I don’t know if that indicates an increasing trend in the percentage of gamblers who end up with gambling problems. Generally, though, the more people that gamble, the more who get into trouble.” He defined “trouble” as including financial, emotional, relationship, and physical problems. He told us that he got his first call in 1982, before any Gamblers Anonymous (GA) groups existed. By 1985, a group had been formed, and attendance averaged three to four people per meeting. By the end of 1998, Lambeth had 10 GA groups, with attendance averaging 30 people per meeting. He attributed 75 to 80 percent of this change to the casinos, adding that these are experiential, not empirical, data.

He later told us he would be opening a treatment center sometime in the near future, and that currently his organization is providing outpatient treatment across the state. “Around the beginning of 1995, we got a new [high-ranking official] in the [state office that handles substance abuse] who cares about addiction, and ... increased our budget 400 percent, making the new facility possible. Twenty-five to thirty-five percent of persons in treatment for addiction generally have a gambling problem. Fifty percent of those entering gambling treatment have substance abuse problems.”

The area manager for consumer credit counseling indicated that he has seen a great increase in the demand for the kinds of services he offers in Lambeth over the past 10 years, predating the casinos. “The population and economic growth we’ve experienced have been big factors. I’d say gambling losses probably have a role in at least 10 to 20 percent of the debt problems we see.... When [the casinos] first opened, it was bad checks, now people get cash advances with credit cards. The casinos have been smarter in the way that they deal with people.” He also told us that local banks had no interest in installing ATM machines in downtown Lambeth until the casinos opened there. On the other hand, he added, financial management “is a joint responsibility between debtors and lenders, who have the power to shut debtors down financially when they see irregular withdrawal rates. The onus is on the individual, but lenders have a responsibility to protect that investment.” He added that bankruptcies “seem to be heating up now after a lull of a year or two.” The law enforcement officer made mention of this recent upswing in bankruptcies as well.

The compulsive gambling association director told us that before the casinos opened, gambling problems were very rare, but now they have become considerably more widespread. He stated that the problem has surpassed substance abuse in its urgency.

Sometimes, the people are not straightforward about it. Problem gamblers employ a lot of deception. They’re not bad people, they’re just hiding their problems. This spans generations. Retirees lose their life savings and go into debt.... The most reliable indicators [that someone has a problem] are people owing relatives, people patronizing pawn shops, people accumulating large

debts in a short period of time, and people having a lot left over when we look at their income minus expenses, and they're still not making it.

The head of the economic development foundation gave the casinos a glowing review, saying they have created 65 to 70 percent of the economic gain that has taken place over the past decade in Lambeth: “We’ve seen reduced crime, increased employment, increased residential construction, hotel and motel revenue, increased retail sales, increased funds in local governments, community support organizations and charities....” Property values have also been significantly enhanced over this period, “probably 25 percent.” In addition, thousands of people work directly in the casinos, and gaming has accounted for one-third of a more than \$1 million statewide payroll increase, according to this informant. “Gaming has created a tremendous degree of opportunity for disadvantaged workers in [this part of the state], providing opportunity, training and employment in life skills (like food service, security, administration). These are valuable skills independent of gaming, and will be good for the economy in the long run.”

With regard to tourism, our respondent in economic development told us, “Our hotel and motel stays are up 25 percent, and we think that the number of out-of-town visitors to the MSA has increased more than that. Out-of-town guests now represent 75 percent of the market for the casinos and 50 percent of the market for the racetrack; before the casinos arrived, it was 75 percent for the racetrack.” He added that gaming has increased attendance at local museums and other community attractions. These changes have brought in more than 10 million additional dollars per year in tax revenue, “which is probably a 20- to 25-percent annual increase.”

The newspaper editor gave the city’s economy a similar review, stating that in the last few years, Lambeth has become one of the fastest growing cities in the region. “Business and industry is flocking here, we are growing at a phenomenal rate. The population of [Lambeth] itself has grown [35 percent] since casinos arrived.... The economic impact can’t be all attributed to gaming, but it’s been a large part of it. It’s creating jobs.... Unemployment is 3 points lower than the national average.” Furthermore, he stated, the city budget had increased 250 percent since the arrival of the casinos. “Fifteen years ago, the city was laying off employees!” He stated that the city’s water and sewage systems are being upgraded, the roads are being “entirely reworked,” and a brand-new fire station is in the works.

The downside, he told us later, is that traffic is a big problem. “The area is just growing like a weed. I anticipate that more retired military personnel will stay. People are now retiring to [the county]. This segment of the population is going to go way up. We also have one of the best public school systems in the state.”

We asked respondents if they had noticed any change in the local crime rate. The newspaper editor reported that the police department has a good working relationship with the management at the casinos, and money is going directly to the city from the casinos for policing. As a result, the department has hired more officers and installed a satellite police station a short distance from the casinos. Furthermore, “We’ve seen a step-up in neighborhood patrol, and the introduction of a bicycle patrol unit.”

According to the law enforcement officer, “crime has decreased 50 percent overall [since 1994]. We’ve seen increases in white-collar crime, like credit card and ATM theft, and forgery. Illegal gambling has not increased since the casinos arrived. We studied other

communities beforehand, and problems arose when they didn't plan for the influx of people. It's been a smooth transition."⁵ The newspaper editor confirmed that crime has gone down and the city has seen no increase in illegal gambling. "We're the most crime-free city in the state."

A couple respondents volunteered that they have not seen any increase in substance abuse, though we did not ask about it specifically; one stated, "Substance abuse is no worse here than anywhere else.... They do serve alcohol at the casinos, but we have seen no increase in DWI's." On the other hand, two other respondents stated that substance abuse was one of the primary socioeconomic problems the town is facing right now (see Current Community Issues).

Current Community Issues

We asked people what they thought was the primary social or economic problem their community faces at this time, and whether they thought that legalized gambling has had any affect on the community's efforts to control this problem. Two people mentioned substance abuse, in conjunction with other problems: "The primary social problems would involve youth development, gang activity, substance abuse prevention and education issues. From an economic standpoint, there's still room for growth.... [But] gaming has impacted the employment rate. There have also been a few youth development plans sponsored by the casinos." According to another, "The community perceives the primary social problem to be crime, which is down. I believe it to be substance abuse and homelessness, myself.... Legalized gambling has had an impact on the crime rate by reducing unemployment. However, it has increased both substance abuse and homelessness. The free booze [offered in the casinos] has had a measurable impact on alcoholism."

A couple people said the primary problem was the dependence of the community on the gaming industry; one respondent said, "If the gaming establishments left, at least 2,000 people would be unemployed." Another person elaborated on this issue, stating that the primary problem is to provide a stable economic climate for the citizens of the state; "We need a diverse economic base.... There are 25,000 people employed statewide in gaming, and we need to provide replacement jobs if we're unhappy about it. The welfare-to-work reform has intensified our need for jobs even further."

Finally, one respondent said the primary problem was "race relations, which at present, are pretty good.... Legalized gambling has not really impeded our efforts to improve race

⁵ It should be noted that NORC reviewed the data sent us by the officer quoted above, and while the declines in crime do appear to be substantial, the data refer to total *reports* to the police department, including incidents such as natural and accidental deaths and lost and found property. A modest proportion of the decline in reporting has taken place in the category "Miscellaneous (all other offenses)," and it is unclear what proportion of these are non-crime reports from local citizens. Nevertheless, even if one does not include this category of offense in one's calculations, the number of crimes in Lambeth decreased 37 percent between 1994 and 1997 (as opposed to 52 percent). It should also be noted that the number of credit card and ATM frauds doubled from 51 to 101 between 1994 and 1995, but then decreased to 61 in 1996 and to 48 in 1997. Forgery and counterfeiting (classified together) has been steadily rising since 1994, from 193 to 276 in 1997; however, the actual numbers of these offenses are small enough that it is unclear whether statistical testing would demonstrate a significant increase.

relations in the area. Minorities are being given fair opportunities, so there is no resentment against the casinos.”

Next we asked respondents (1) what their personal expectations were for the effects of the casinos on the community before they opened, (2) whether their expectations have been borne out, and (3) whether any of the change that occurred surprised them. We repeat their comments below.

- “I was concerned with rumors of prostitution and murder. None of that’s ever occurred. It has brought in jobs and business.”
- “I expected an increase in crime, I was concerned about personal safety, I expected an increase in employment, and I expected more neglect. Employment has far exceeded expectations.... [I was not expecting] the new subdivisions and stores.”
- “Expectations have been exceeded, both in terms of economic impact and in tourism. We were on-target with our expectations of the development of gambling problems, too. It also took about as long as we expected it to.... The degree of positive economic impact was unexpected, and the gaming industry has generally been supportive of those who express a need for help.”
- “I didn’t think it would be good, I didn’t want my children growing up wanting to deal blackjack. It was part of the reason I moved [away for 2½ years]. The economy is better, but the human toll is growing.... I didn’t expect the crime rate to go down. There’s optimism here that didn’t exist before.”
- “I had very positive expectations, and even those have been exceeded. It’s a real success story. Under some circumstances, it can work very well (though not all).... I think we had our eyes open going in. We studied [other places that introduced casinos], and expected traffic problems, lower crime, increased revenue. We’ve been right on track. Nothing has surprised us.”
- “I don’t think anyone had a clear idea of the impact gaming would have. Anyone who told you that they were disappointed in the economic impact would be lying.... [I was not expecting all] the money from gaming taxes. We’ve already raised [tens of millions of dollars] for a general improvement fund in 4 years.”

Public Views on Gaming

We asked community members how they thought the community generally feels about having legalized gaming readily available. The general opinion is that the community is either in favor, or strongly in favor, of gambling, particularly of the casinos. Respondents typically gave numbers from votes on gambling legislation to support this view. One person told us that more people were resistant to having casinos in the community prior to their arrival. According to one interviewee, “Seventy-five percent either like it or have no opinion. Twenty-five percent are very much against it.”

Finally, we asked our respondents what their personal overall feeling was regarding the affects legalized gambling has had on their community. We repeat their comments below.

- “Very positive.... We’ve enjoyed them, they’ve worked with the community in numerous capacities. They’ve been a great partner.”
- “The positives far outweigh the negatives. It has had a tremendous impact on the community, and a good one.”
- “Though positive economically, it’s brought with it exacerbation of some social problems. The state and industry have both recognized it, and have made efforts to deal with it.”
- “Very positive.... In [this state], we have seen the introduction of [thousands] of jobs, generating [millions of dollars] in additional revenue. Casino jobs pay an average of \$22,500/year. Women and minorities hold most of those jobs, and therefore benefit substantially. In [town], there has been a 41-percent decrease in crime since 1994. Public officials need to make responsible, informed policy decisions to best manage the interests of everyone involved.”
- “I see it as a positive, speaking strictly as an individual. Unemployment is down, single mothers are supporting their children.... Controlled, it’s going to be an economic stimulus, but it must be controlled. They’re good corporate neighbors.”
- “It’s had an unbelievably good effect. A percentage of people are susceptible to gambling problems, but personal responsibility is important in all aspects of life.... I think it’s here to stay.”

CASE STUDY NINE: KEELING

Our Respondents

For this community’s case study, we interviewed an officer in the local police department, a victim’s advocate in the state prosecutor’s office, a program manager at an addiction treatment center, a local community development director, a financial counselor, and a reporter for a local newspaper. Respondents have been in their general line of work for at least 5 years, and have lived in the immediate or surrounding area from between 2½ and 25 years.

Gaming in Keeling

We asked respondents a few background questions about the kinds of gambling available in their community. Interviewees told us that within the town limits, they know of just a couple types of gambling available. One of these is bingo, which the state began regulating about 15 years ago; one respondent estimated that between 20 and 30 bingo parlors are located here. In addition, residents can play the state lottery at outlets “all around town.” In fact, Keeling is in close proximity to the state lottery headquarters, and the state has been selling tickets since the mid-1980s.

Outside of town, one can find a couple pari-mutuel facilities, and local residents will visit bingo parlors in neighboring towns as well. In addition, four casinos are stationed in a more urban area within 10 miles of town. A couple casinos have closed in the past several years as well, which residents blamed on an oversaturated market. We were also

told by one resident that the horsetrack recently filed for bankruptcy because it could not compete with the casinos.

Community Changes

Next we asked respondents about the sorts of changes their community has undergone in the last decade or so, to get a feel for the town dynamics. We also asked how much of the more recent change respondents would attribute to the opening of gaming facilities in the area.

The community development director told us that the town has been declining economically over the last 20 years. There have been cutbacks in capital expenditures, and maintenance of the infrastructure has been eroding. However, he added that a more progressive city manager was hired several years ago, and since then, more than one million square feet of retail space have been developed. Part of this development has included a new mall, which is reported to be very successful. “It’s one of the most attractive retail locations in the metropolitan area, [and it] has also added to the revenue stream,” bringing additional sales and property tax to the town. In addition, new office space is being planned, and the town has also had some growth in higher value and executive housing. The director reported that most of the housing in town is older, and “a little too affordable. Eighty or more houses are demolished [in Keeling] every year because they are beyond repair.” Also helping to stimulate growth is recent road construction. Another respondent commented on increased retail activity, adding that tourism has increased “a little bit.”

Both of these respondents also told us they did not believe that any of the recent growth has been due to the casinos. According to the director of development,

If anything, gaming facilities are competing for the labor market. There are no new businesses in [Keeling] that have any direct link with the gaming establishments. Casinos mainly draw [customers] from the immediate area. I’m not even sure that the hotels have benefited. There has been no hotel development right near the casinos. There’s been some on [the interstate], but no great flurry....

Another interviewee concurred, stating, “None of the retail activity has been due to gambling, but more money is going into gambling, and less to other business.” In the near future, according to the director, “We have office development planned, further housing development, and several other major projects planned for undeveloped parts of the city. We’re developing tourism based on historic preservation. The casinos are in competition with our tourism efforts.”

According to the consumer credit counselor we interviewed, the demand for credit counseling services has increased, although she could not tell us by how much. She added that she has seen an increase in personal bankruptcies. She attributed a lot of this “to the gambling. We’ve seen it really affect the elderly,” adding that it seems to her that gambling is what the elderly do to occupy their time. In general, she sees a lot of people obtaining second mortgages on their homes and “piling up” credit card debt. “I don’t think it was as bad when there was just one casino. Now that there are several, we’ve noticed an increase in unmanageable debt. In a week’s time, if I see 20 people, I’d say 2 out of the 20 can blame some of their credit problems on gambling.”

Calls are still infrequent for gambling treatment, but according to the program manager at a gambling treatment center, such requests have been increasing. “A tremendous amount of the change we’ve seen has been caused by casinos. They have dramatically increased the availability of gambling and the consequences. Casino gamblers gamble much more. Some people are there every day.... [One nearby] casino has everything—movie theaters, bars, restaurants, day care, an arcade....” According to a victim’s advocate in the state prosecutor’s office, “most of the people we deal with here spend all their time gambling. They drop off their kids at the day care center. You can do this starting at 6 months of age.”

Next we asked individuals if they have noticed a change in the number or types of crimes over the past decade or so. Our respondent in law enforcement told us that he sees the biggest crime problems in Keeling to be larceny, automobile theft, and the manufacture and use of methamphetamine. Another respondent also commented on the methamphetamine problem. The police officer added that he has seen a general upwards trend in all categories of larceny and automobile theft over this time period, but reported that he has observed a decrease in the past year.

The officer also mentioned that in the mid-1990s, the town passed an ordinance that addressed loitering, curfews, open containers of alcohol, graffiti, and disorderly houses, and stated that this ordinance has been at least partly responsible for the decreases he has seen in drunk driving and domestic violence. Another respondent noted, perhaps due to this ordinance, that the police have put more focus on “having a big presence at night.” Neither the officer or anyone else we interviewed noted having seen any change in illegal gambling since the arrival of the casinos.

A victim’s advocate in the state prosecutor’s office told us that she has seen the number of domestic violence cases grow over the last several years, although she could not say by how much. She added that she was sure that the number of child abuse and neglect cases has also grown. She based this on the growth of the size of the office that works with these cases, and on her own observations working with children when their safety has been compromised as part of a domestic situation. She told us that she believes that both gambling and community education have influenced the trends in domestic violence, but said she could not comment on whether gambling has influenced trends in child abuse and neglect.

A victim’s advocate in the state prosecutor’s office reported that, in the metropolitan area of which this town is a part, she has seen homicides grow 50 percent between 1997 and 1998. She drew no connection between this increase and the presence of the casinos. The resident who works with problem gamblers reported an increase in traffic violations, which he said was probably due to the increased traffic in the town. He also stated that many of the people he has treated have committed crimes out of desperation, especially burglary and embezzlement. These patients were “not sociopaths,” as he put it, and were it not for their addiction, they would have been law-abiding citizens.

Next we asked respondents if they could think of any other ways the community has changed since gaming establishments were introduced. Usually when we asked this question in our communities, the response was very brief—and more often than not, “No.” We were surprised to see that in this community, our respondents were especially

vocal when answering this broad-based question. Because we found this to be so unusual, we let the respondents speak for themselves in the quotes below.

- “Our staff has increased 37 percent over the past 5 years due to federal, state, and local grants that we’ve received for methamphetamine investigation, community outreach, and domestic violence prevention. Our strategies have not changed due to [the increased presence of] gambling. It gives folks something to do, and doesn’t seem to be causing problems on a social level.”
- “I know that individuals utilize gambling as entertainment. It’s all gone downhill. The casinos are also supposed to donate more to state education. I don’t know if they’re doing it.”
- “There’s a low level of community awareness. Anecdotally, everyone here knows someone who’s got a gambling problem, but no one really knows where to go for help. The hallmark of addiction is people who believe they know what they’re doing. Gambling is easy to hide, unlike alcohol abuse. There’s not a structure in place, even with GA, to serve the need that exists. The other problem is, people don’t stick to treatment. It’s a revolving door, like drug treatment used to be.”
- “Pretty much all of the gambling indebtedness that we see comes from the use of credit to finance casino gambling. There are ATM machines in the casinos, and use of the debit cards results in overdrafts. Together, debit and ATM cards comprise maybe 25 percent of the problem, though. Most of it’s on credit cards.”
- “More people are addicted to gaming.”

Current Community Issues

Next we asked respondents what they would say is the primary social or economic problem that Keeling faces at this time, and whether they thought legalized gambling has had any affect on the community’s efforts to control this problem. Without exception, respondents reported drugs—particularly methamphetamine—as the primary problem in the community. A number of people drew a connection between drug use and gambling. One respondent commented that a relapse for drug abuse can start through gambling. Another interviewee told us, “It’s probably a combination of both. Three out of five people I work with have a problem with either gambling or drugs, or some mental kind of thing. For drugs alone, it’s two out of five. If it’s not them, it’s their spouse.”

One respondent, in addition to drugs, said homeless was the primary problem. Another interviewee spoke to the economy in general, and in particular to a general need to improve social services for the disadvantaged in the community:

We have a large lower income population. I think that they would be more likely to play in the casinos; I don’t think that helps our economy at all. Casinos are not known to strengthen the family or the economic condition of the family.... We see severe poverty conditions when we go to enforce housing codes. There is a need to provide social services. I know gambling doesn’t help that. The unemployment trend is improving a little bit.... It’s a mixed situation. Gaming probably has provided a little help in providing jobs for unskilled labor. The market for low-paying jobs is tight.

Of our respondents, three indicated that they were pleased with the overall direction of their local economy at the present time, without elaborating. One interviewee declined to comment, stating that he had not given it any thought. Of the remaining two respondents, one indicated that “everything needs to be revamped,” and expressed hope that after the upcoming mayoral election, steps would be made in the right direction. The other who was not pleased stated that to him, the “police, the drug enforcement, that would be the biggest thing, I would think. I don’t really know of anything else.”

Public Views on Gaming

We then asked respondents how they thought the community generally feels about having legalized gaming readily available. One interviewee indicated a general support, and another said “It’s become institutionalized now.” Another also indicated she felt that “most people were glad,” and said the elderly in particular were pleased. She added, “There’s even buses that will drop them off to gamble. [The casinos] are making it really easy for them. It’s a problem for people on a fixed income.” In a similar vein, another interviewee told us “I think they like it, despite the fact that the community is not improving, and schools are shutting down. I think the entertainment value means more to them than the jobs created.” One respondent stated, “Some were delighted, some think it’s the end of the age, some feel it doesn’t affect them.” Later he stated, “I don’t think that the community has really made an effort to control [gambling problems]. The community is still generally in denial, although the state has started to train gambling counselors.”

Next we asked respondents what their personal expectations were for the effects of nearby gaming establishments on Keeling before they opened, and whether their expectations been borne out. Per usual, respondents spoke to the introduction of casinos. People on the whole leaned toward the negative. The exception was the chief of police, who indicated he had no expectations and that his department is neutral on the issue: “We deal with things as they happen. We didn’t expect much overflow, the casinos are far enough away.” One said her expectations had been negative, but could not say yet if these had been borne out; another respondent originally expected more money to go into gaming and less to stay in the community, and felt that this has happened. We quote the two remaining respondents below:

- “Anytime you have a bar open, some will be alcoholics and be hurt. It’s the same with gambling. My expectations for compulsive gamblers have certainly been borne out.”
- “At first, you think it’s going to bring a lot of business to the area. The flip side is that it creates problems for some people. This causes detriment to the economy, really, when people are behind on their payments. I think even stores have noticed that people don’t have any money, they gamble it all away.”

Finally, we asked respondents what their personal overall feelings were regarding the effects legalized gambling has had on their community. Again, the tenor of the responses was negative across the board, with the exception of the chief of police. A few informants expounded on their opinions a bit more than the rest, and we include their comments here:

- “Nothing goes on with [the casinos] as far as my job. They’re just the most hideous eyesores that I’ve seen in my life.... I hope someday the casinos just burn down.”
- “The majority have not been hurt, but the significance of those that have been hurt is severe. Hundreds of Alcoholics Anonymous programs exist here; comparatively, there is nothing for gambling.”
- “I don’t know. I personally like to go. But if it’s going to have a negative effect on as many people as I think it has, I’d rather just not have them.”

CASE STUDY TEN: BRAZO

Our Respondents

For this case study, we interviewed two law enforcement officers, including one in the state police unit dedicated to the casinos; a staff member in the town planning office; an addictions counselor; a psychotherapist; a program coordinator at the state council on problem gambling; and the lead planning analyst in the state’s department of social services. These respondents have been in their current line of work for a minimum of 8½ years, with a mean of 18½ years. They have lived in Brazo or in a bordering town for at least the past 16 years.

Gaming in Brazo

Our respondents reported having access to charitable bingo and the lottery within their town proper. Residents also visit a local sports bar located in the next town. Our respondents seemed most aware of two tribally owned casinos located within easy driving distance of town. In addition, two residents reported that three pari-mutuel facilities have closed down in the last several years. The respondents attributed their failure to competition from the casinos, which opened in the mid-1990s. Two pari-mutuel facilities remain, both a short drive from town.

Community Changes

Next we asked respondents what types of changes they have seen in Brazo in the past 5 to 10 years, and we inquired whether they believed any of these changes were due to gaming.

Our respondent in the planning office reported little change influenced by gaming. She mentioned a shift from manufacturing toward information technology recently, but emphasized that this was not due to and gambling facilities opening. The casinos have brought more tourists into their surrounding communities, and some new restaurants have opened, but the town has remained unaffected, in her eyes. On the other hand, an addictions counselor reported that with regard to the general area, “[t]he community has really been built up. There’s a lot of new housing, a lot of young families moving to the area.”

We asked respondents if they had seen an increased need for gambling addiction services in their community. According to a psychotherapist, “I see many more people with gambling problems.... I see depression around gambling and the addiction itself. I know

there are lots of personal bankruptcy and foreclosures.” He attributed all of this to the opening of the casinos. A respondent at the state council on problem gambling reported “a 100-percent increase in our services as a result of the increase in gambling in [our state]. Our telephone calls have doubled in the past year.” However, it is unclear to what extent calls have increased in this community in particular, if at all, since he did not mention data on where people called from.

A therapist told us that she does not see gambling problems in her own practice very often, but she hears about them among

my friends, in the marketplace, and from people in recovery from other problems.... People get so addicted to gambling, especially the elderly. I see busloads of them going to the casinos. I’m especially worried about people recovering from other addictions.... I go to AA meetings where I hear people talk about how they go [to the casinos], and I hear through the grapevine about people getting hooked recovering from other addictions, and I believe the casinos have definitely had an impact here.

As a result of the apparent increased need, addiction services in the area appear to have been dramatically affected, based on what most of our respondent reported. A local therapist in private practice mentioned a general problem with treating citizens with addiction problems across her state. She stated that the insurance panels have created havoc for her, especially the HMOs, and that this has been a particular problem for practices in her area:

What happened was, we didn’t get licensing for addiction counselors soon enough to get on the books of the insurance agencies. There’s licensing now, but when you call the insurance panels, they say they’ll call you when they have a space. So people pay out of pocket, or they go to a provider on the plan, get disappointed, and they end up coming back to me anyway. I usually reduce my fees when someone has trouble paying, but I’ve reduced my fees so much that I didn’t make my rent in October.

According to respondents, more gambling addiction services have been sorely needed in this community; it appears that this problem is now being addressed, especially for addicted gamblers who choose to visit an actual facility for treatment. Residents in this community have easy access to two such centers, one of which has been in business for a fairly long time. On the other hand, it is not as clear whether groups like Gamblers Anonymous are as readily available to people who choose to go that route. One resident reported that she knew a gambler who needed to drive 45 minutes to get to a GA meeting, and it was difficult for her to maintain her commitment due to this factor. Another respondent mentioned seeing a “definite” increase in the need for such services, though he said he knew of a group that just started up only a few miles from town.

We also asked our participants whether they had seen any changes in the number or types of crimes in Brazo. Law enforcement did not report any change due to gambling in the number or types of crimes committed in town. Larceny, burglary, and crimes involving narcotics were reported to be the most predominant types of crimes in the community. Two people also mentioned that gangs have been a problem, but one of the sergeants added that this was not as much of a problem anymore.

Two of the crimes we specifically asked about were domestic violence and child abuse/neglect. The two social service personnel we spoke with both answered affirmatively regarding both (only these two respondents were asked). One attributed the increase in domestic violence to gambling, saying “Yes, because of power and control. If a man is prone to violence and his money is taken away, then there is violence to the female member of the household.” On the other hand, the other respondent stated, “How much is due to gambling or to macho, I don’t know.” With regard to child abuse and neglect, one respondent mentioned an increase, but emphasized that this was occurring at the casinos themselves, more than anywhere else, with parents leaving children in their cars while they go gamble, or leaving children unattended inside the facilities. “I think gambling is addictive, like anything else. People who have an addiction don’t take care of their families and their homes.” The other respondent mentioned seeing an increase in physical and sexual abuse of children, but did not indicate either way if she thought this was related to gambling.

The two law enforcement officers we interviewed both reported that they had not seen an increase in any type of crime. One of the officers also reported that illegal gambling has dwindled down to almost nothing now. Another interviewee stated she had seen an increase in white collar crime in the news, and another mentioned an increase in theft and embezzlement. One indicated that it had recently been in the news that an attorney was sent to prison for embezzlement stemming from a gambling problem. Both indicated they believed the increase was due to the casinos. Finally, a respondent from the council on problem gambling stated he had seen an increase in homelessness and bankruptcies due to gambling.

Several interviewees also talked to us about how gambling has and has not affected the youth in the area. One respondent in social services told us that youth suicide rates were on the rise in Brazo, and added that stories in the media have indicated an increase in suicide across the state; she believed that this was related to gambling, although this may have been just an impression. One respondent indicated that theft among youth has increased, and she said this might be connected to a study she and another respondent mentioned, which showed a rise in gambling prevalence among youth in the area. However, none of our respondents described seeing an increase in youth gambling first-hand.

Five interviewees were asked if they had seen any difference in the kinds of issues they described by type of gambling (e.g., lottery, casino, pari-mutuel). Four indicated that just in terms of sheer numbers, more people are going to casinos; two of them stated that the kind of games one can play in casinos are more addictive, and that they have seen personally more problems arising from these kinds of games, particularly slot machines. Another told us, “I think we have seen charitable gambling diminished due to the large casinos.”

Current Community Issues

Next we asked our informants what they would say is the primary social or economic problem their community faces at this time, and whether they thought that legalized gambling has had any affect on their community’s efforts to control this problem. It should be noted again that respondents interpreted “legalized gambling” to mean casinos.

One person said she did not “know of any real primary problem,” and another told us, “I couldn’t even venture a guess.” One person told us it was “the erosion of economic stability,” and another said “poverty—that’s the primary problem.” Continuing along these lines, a therapist told us she believed the primary problem was

[u]nemployment and underemployment. Downsizing has had a devastating effect. Several large companies have closed down, ... and they treat people really badly; you go into work and all the sudden there’s a pink slip on your desk.... People go into a depression, but they can’t afford any counseling when they’ve just lost a job.... People who are unemployed seek out quick money by going to the casinos. Probably some people here work at one of the casinos, but I don’t think they’ve created many jobs for people in this community.

Another respondent said the primary problem would be “open space versus developing land. People want us to buy more open space. They don’t want more stores.” He said legalized gaming has had no role in this issue. Finally, we were told, “It’s more around drugs.... I would think [gambling has had an affect on this]. I think people are poorer and more depressed and reach out for something to make them feel better, and they get hooked.”

Public Views on Gaming

Next we asked respondents how they thought the community generally feels about having legalized gaming readily available. Our group was divided on their impressions:

- “It’s a positive thing for most people. It’s entertainment.”
- “It’s about a 50/50 split. It helps keep taxes down. For moral reasons, many do not want the casinos.”
- “There is a split regarding this. There are pros and cons. It’s about 50-50.”
- “Most of them think it’s great.”
- “The community is mixed. The majority feel it’s positive for the state, but as you get closer to where the casinos are located, it is more negative.”
- “I don’t think anybody minds.”

In the final portion of our interview, we asked respondents what their personal expectations were for the effects of the casinos on the community before they opened, whether their expectations had been borne out, and if any changes had come about that they were not expecting.

- I had no expectations that it would affect our town and it has borne out.
- I think what everybody expected was some financial benefits, and they have borne out.
- I didn’t have any [expectations]. The rural setting of the two facilities are so far removed that it doesn’t generate any problems.

- My expectations would have been we would have more money. It seems we have less. For example, that schools would have benefited, but they have not.... I didn't expect the suicide rate, and it was probably naïve on my part.
- I was skeptical because of the great panacea painted by promoters—all the money that the state would get. There are jobs available [at the casinos], but they are low-paying jobs.... I didn't expect the increase in homelessness, child neglect, and bankruptcy cases.
- I expected [the casinos] to make a lot of money, and they did.... I [was surprised because I] really didn't expect the kids to get into it.

Lastly, we asked respondents what their overall feeling was regarding the effects the availability of legalized gambling has had on their community. Overall, respondents indicated they felt that gambling has had little to no impact on the community. Two respondents had more negative views, which they expounded on:

- “My overall feeling is that it has had a more negative effect. I see senior citizen centers offering bus trips to the casinos—this bothers me.”
- “I don't think it's good. Poor people spend entirely too much money.”

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