40 Economists Side Against More Gambling

September 22, 1996, Omaha World-Herald By Robert Dorr

Forty Nebraska economists say they opposed the expansion of gambling in Nebraska because ***the economic costs "are likely to far outweigh" the benefits.***

Gambling has a better reputation than it deserves because the economic benefits – mainly jobs at casinos – are easy to see, said Loretta Fairchild, economics professor at Nebraska Wesleyan University in Lincoln.

"The economic costs are hidden," said Dr. Fairchild, the main drafter of a statement released Saturday.

The statement opposes gambling only on the basis of its economic costs related to economic benefits.

The signers, mostly economics teachers at Nebraska colleges and universities, might or might not have moral reasons for opposing the expansion of gambling in Nebraska, Dr. Fairchild said.

Two expanding gambling petition issues have fallen short of the 98,939 valid signatures needed to get those measures on the Nov. 5 ballot in Nebraska. A federal judge has given the leaders of both efforts until Oct. 8 to come up with evidence that too many signatures were invalidated by local election officials.

One issue, supported by Nebraska racetracks and horse owners, would permit opening casinos at or near the state's tracks. The second issues, backed by some keno parlor owners, would allow local voters to authorize slot machines and other electronic gambling at keno parlors.

The statement signed by the 40 economists reads: **"We, the undersigned Nebraska economists, are opposed to the expansion of gambling in Nebraska because the additional direct and indirect costs are likely to far outweigh the additional direct and indirect benefits for the state as a whole."**

Dr. Fairchild said studies on gambling have indicated that casinos that draw most of their customers from the local area and the surrounding region "siphon consumer dollars away from other local businesses."

"Regional casinos simply re-circulate dollars that already exist, bringing little or no new money to the local economy," said Dr. Fairchild, who has a doctorate in economics from Cornell University.

Dr. Fairchild said many people believe that all the money from gambling stays in the state. **"That's a myth," she said. "It depends on the ownership structure. Many of the casinos are owned by a few large Las Vegas or East Coast-based corporations."**

In calculating economic benefits, Dr. Fairchild said economists include new jobs, profits to any in-state owners, additional tax revenues and savings by consumers in traveling to a nearby casino compared with going to one farther away.

Costs include the loss of revenue and job reductions at other retail businesses, sales-tax revenue losses, profits going to out-of-state owners, revenue lost by existing forms of gambling, costs of regulating gambling and costs to businesses because of increased absenteeism and lower productivity.

Other economic costs result from an increase n people with gambling addictions, she said. Those costs include increased crime leading to more police, jails and courts; costs to businesses of embezzlements, forgeries and thefts; and cost of treating addicted gamblers.

In assessing other gambling studies and drafting the statement, Dr. Fairchild worked with Charles Lamphear, director of the Bureau of Business Research at the University of Nebraska – Lincoln, and John Anderson, professor of economics at UNL…

To see the original article: http://www.citizenlink.org/pdfs/fosi/gambling/JKindt_Testimony.pdf

The economists signed as individuals. The statement did not list their employers. The signers in addition to the three coordinators:

UNL economics professors or associate professors: Craig MacPhee, David Rosenbaum, Ann Mari May, Roger Riefler, Jerry Petr and Benjamin Kirn.

UNL economics professor emeritus: Wallace C. Peterson.

UNL professors or associate professors of agricultural economics: Michael S. Turner, Glenn A. Helmers, George H. Pfeiffer, Richard K. Perrin, Raymong J. Supalla, James G. Kendrick, Bruce Johnson, Dale Anderson and R. Garth Taylor.

Creighton University economics professors or associate professors: Joseph Phillips, Gerard Stockhausen, Thomas Nitsch, James Knudsen, N. R. Vasudeva Murphy and Edward Fitzsimmons.

Bellevue University: Judd W. Patton, associate professor of economics, and James R. Moore, instructor in economics.

Nebraska Department of Economic Development: James Knotwell, economist, and Kim Newell, recycling economic development advocate.

Doane College, Crete: Les Manns, assistant professor of finance and economics, and Mary Sue Carter, associate economics professor.
Nebraska Wesleyan University: Joyce Gleason, professor, and Clayton D. Feis, retired economics teacher.

Others: Ron Konecry, associate professor of management and marketing, University of Nebraska at Kearney; Mebdi Afist, Chadron State College business department; William snyder, professor of business, Peru State College; Mocuahaki Daial, economist at Wayne State College, Donna Dudney, business division head, College of St. Mary, Omaha; and Clifton A. Sexton Jr., Lincoln, and Joe Watkins, Grand island, whose affiliations could not be determined.