

Jobs Lost: Gambling's Net Negative Impact on Job Creation

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On a regional level, the combined ranges of the various socioeconomic costs caused by decriminalizing gambling are so large that they tend to dwarf the localized economic positives.¹ These drains on society could easily translate into a net loss of thousands of jobs on a statewide or regional level.² By 1992, California economists were indicating that Nevada's gambling was costing Southern California 196,000 jobs per year.³ Furthermore, it can be argued that the combined economic positives and negatives result in a negative economic multiplier.⁴ From the perspective of business-economics and strategic development, major business are and should be concerned with the trend toward expanding various forms of legalized gambling activities. Among other reasons, non-gambling related businesses will not be competing for consumer dollars or recreational dollars on a "level playing field" because legalized gambling activities can cater to an addicted and potentially addicted market segment.

Since the US economy and most state economies are extensive in scope, the socioeconomic negatives associated with legalized gambling activities can remain hidden for long periods of time. However, just because a particular activity is "legalized" by a state government does not mean the negative business or societal impacts have been eliminated – or even reduced.

Another aspect of jobs lost by decriminalizing gambling involves the jobs lost when gambling addicts embezzle from their employers, causing reduced jobs budgets and even business bankruptcies. For example, in Muskegon Heights, Michigan, one manufacturing firm with an addicted gambler announced that "employees had been laid off as a result of the theft and that the future of the business may be in jeopardy".⁵

Due to the business shame associated with having gambling addicted employees, financial institutions in particular tried to cover up these embezzlement stories before they reached the public. Even so, numerous news stories of new embezzlements related to governments spreading gambling facilities could be found during 2008 at the nationally recognized Casino Watch website.⁶

¹ Calif. Governor's Off. Plan. & Research, CA & NE: subsidy, Monopoly, and Competitive Effects of Legalized Gambling ES-1 (Dec. 1992)

² *Id.*

³ *Id.*

⁴ Robert Goodman, *Legalized Gambling as a Strategy for Economic Development* 50 (Ctr. Econ. Development, U. Mass.-Amherst 1994) For specific analyses on job losses, see Earl L. Grinols, *Bluff or Winning Hand? Riverboat Gambling and Regional Employment and Unemployment*, 51 Ill. Bus. Rev. 8, 8-11 (1994)

⁵ Lisa Medendorp, *Bookkeeper fleeces for gambling, drug money*, Muskegon Chron. (Muskegon Heights, Mich.), June 15, 2006 at A1

⁶The Casino Watch website is: www.casinowatch.org.